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AGRICULTURE AND FOOD SUPPLY IN  
FRANCE DURING THE WAR

ECONOMIC AND SOCIAL HISTORY  
OF THE WORLD WAR

JAMES T. SHOTWELL, LL.D., *General Editor.*

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TRANSLATED AND ABRIDGED SERIES

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*For List of Editors, Publishers, and Plan of Series  
see end of this volume.*



# AGRICULTURE AND FOOD SUPPLY IN FRANCE DURING THE WAR

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## AGRICULTURE

BY MICHEL AUGÉ-LARIBÉ

SECRETARY GENERAL OF THE NATIONAL FEDERATION OF  
AGRICULTURAL SOCIETIES

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## FOOD SUPPLY

BY PIERRE PINOT

MAÎTRE DES REQUÊTES AT THE COUNCIL OF STATE

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## EDITOR'S PREFACE

*coming in. down. out for international peace*

IN the autumn of 1914, when the scientific study of the effects of war upon modern life passed suddenly from theory to history, the Division of Economics and History of the Carnegie Endowment for International Peace proposed to adjust the program of its researches to the new and altered problems which the war presented. The existing program, which had been prepared as the result of a conference of economists held at Berne in 1911, and which dealt with the facts then at hand, had just begun to show the quality of its contributions; but for many reasons it could no longer be followed out. A plan was therefore drawn up at the request of the Director of the Division, in which it was proposed, by means of an historical survey, to attempt to measure the economic cost of the war and the displacement which it was causing in the processes of civilization. Such an 'Economic and Social History of the World War,' it was felt, if undertaken by men of judicial temper and adequate training, might ultimately, by reason of its scientific obligations to truth, furnish data for the forming of sound public opinion, and thus contribute fundamentally toward the aims of an institution dedicated to the cause of international peace.

The need for such an analysis, conceived and executed in the spirit of historical research, was increasingly obvious as the war developed, releasing complex forces of national life not only for the vast process of destruction, but also for the stimulation of new capacities for production. This new economic activity, which under normal conditions of peace might have been a gain to society, and the surprising capacity exhibited by the belligerent nations for enduring long and increasing loss—often while presenting the outward semblance of new prosperity—made necessary a reconsideration of the whole field of war economics. A double obligation was therefore placed upon the Division of Economics and History. It was obliged to concentrate its work upon the problem thus presented, and to study it as a whole; in other words, to apply to it the tests and disciplines of history. Just as the war itself was a single event, though penetrating by seemingly unconnected ways to the

remotest parts of the world, so the analysis of it must be developed according to a plan at once all embracing and yet adjustable to the practical limits of the available data.

During the actual progress of the war, however, the execution of this plan for a scientific and objective study of war economics proved impossible in any large and authoritative way. Incidental studies and surveys of portions of the field could be made and were made under the direction of the Division, but it was impossible to undertake a general history for obvious reasons. In the first place, an authoritative statement of the resources of belligerents bore directly on the conduct of armies in the field. The result was to remove as far as possible from scrutiny those data of the economic life of the countries at war which would ordinarily, in time of peace, be readily available for investigation. In addition to this difficulty of consulting documents, collaborators competent to deal with them were for the most part called into national service in the belligerent countries and so were unavailable for research. The plan for a war history was therefore postponed until conditions should arise which would make possible not only access to essential documents, but also the coöperation of economists, historians, and men of affairs in the nations chiefly concerned, whose joint work would not be misunderstood either in purpose or in content.

Upon the termination of the war, the Endowment once more took up the original plan, and it was found with but slight modification to be applicable to the situation. Work was begun in the summer and autumn of 1918. In the first place a final conference of the Advisory Board of Economists of the Division of Economics and History was held in Paris, which limited itself to planning a series of short preliminary surveys of special fields. Since, however, the purely preliminary character of such studies was further emphasized by the fact that they were directed more especially toward those problems which were then fronting Europe as questions of urgency, it was considered best not to treat them as part of the general survey, but rather as of contemporary value in the period of war settlement. It was clear that not only could no general program be laid down *a priori* by this conference as a whole, but that a new and more highly specialized research organization than that already existing would



be needed to undertake the Economic and Social History of the War, one based more upon national grounds in the first instance, and less upon purely international coöperation. Until the facts of national history could be ascertained, it would be impossible to proceed with comparative analysis; and the different national histories were themselves of almost baffling intricacy and variety. Consequently the former European Committee of Research was dissolved, and in its place it was decided to erect an Editorial Board in each of the larger countries and to nominate special editors in the smaller ones, who should concentrate, for the present at least, upon their own economic and social war history.

The nomination of these boards by the General Editor was the first step taken in every country where the work has begun. And if any justification were needed for the plan of the Endowment, it at once may be found in the lists of those, distinguished in scholarship or in public affairs, who have accepted the responsibility of editorship. This responsibility is by no means light, involving as it does the adaptation of the general editorial plan to the varying demands of national circumstances or methods of work; and the measure of success attained is due to the generous and earnest coöperation of those in charge in each country.

Once the editorial organization was established there could be little doubt as to the first step which should be taken in each instance toward the actual preparation of the history. Without documents there can be no history. The essential records of the war, local as well as central, have therefore to be preserved and to be made available for research in so far as is compatible with public interest. But this archival task is a very great one, belonging of right to the governments and other owners of historical sources and not to the historian or economist who proposes to use them. It is an obligation of ownership; for all such documents are public trust. The collaborators on this section of the war history, therefore, working within their own field as researchers, could only survey the situation as they found it and report their findings in the forms of guides or manuals; and perhaps, by stimulating a comparison of methods, help to further the adoption of those found to be most practical. In every country, therefore, this was the point of departure for actual work; although special monographs have not been written in every instance.

The first stage of the work upon the war history, dealing with little more than the externals of archives, seemed for a while to exhaust the possibilities of research, and had the plan of the history been limited to research based upon official document, little more could have been done, for once documents have been labeled 'secret' few government officials can be found with sufficient courage or initiative to break open the seal. Thus vast masses of source material essential for the historian were effectively placed beyond his reach, although much of it was quite harmless from any point of view. While war conditions thus continued to hamper research, and were likely to do so for many years to come, some alternative had to be found.

Fortunately such an alternative was at hand in the narrative, amply supported by documentary evidence, of those who had played some part in the conduct of affairs during the war, or who, as close observers in privileged positions, were able to record from first or at least second-hand knowledge the economic history of different phases of the Great War, and of its effect upon society. Thus a series of monographs was planned consisting for the most part of unofficial yet authoritative statements, descriptive or historical, which may best be described as about half-way between memoirs and blue-books. These monographs make up the main body of the work assigned so far. They are not limited to contemporary war-time studies; for the economic history of the war must deal with a longer period than that of the actual fighting. It must cover the years of 'deflation' as well, at least sufficiently to secure some fairer measure of the economic displacement than is possible in purely contemporary judgments.

With this phase of the work, the editorial problems assumed a new aspect. The series of monographs had to be planned primarily with regard to the availability of contributors, rather than of source material as in the case of most histories; for the contributors themselves controlled the sources. This in turn involved a new attitude toward those two ideals which historians have sought to emphasize, consistency and objectivity. In order to bring out the chief contribution of each writer it was impossible to keep within narrowly logical outlines; facts would have to be repeated in different settings and seen from different angles, and sections included which do not

lie within the strict limits of history; and absolute objectivity could not be obtained in every part. Under the stress of controversy of apology, partial views would here and there find their expression. But these views are in some instances an intrinsic part of the history itself, contemporary measurements of facts as significant as the facts with which they deal. Moreover, the work as a whole is planned to furnish its own corrective; and where it does not, others will.

In addition to the monographic treatment of source material, a number of studies by specialists are already in preparation, dealing with technical or limited subjects, historical or statistical. These monographs also partake to some extent of the nature of first-hand material, registering as they do the data of history close enough to the source to permit verification in ways impossible later. But they also belong to that constructive process by which history passes from analysis to synthesis. The process is a long and difficult one, however, and work upon it has only just begun. To quote an apt characterization; in the first stages of a history like this, one is only 'picking cotton.' The tangled threads of events have still to be woven into the pattern of history; and for this creative and constructive work different plans and organizations may be needed.

In a work which is the product of so complex and varied coöperation as this, it is impossible to indicate in any but a most general way the apportionment of responsibility of editors and authors for the contents of the different monographs. For the plan of the History as a whole and its effective execution the General Editor is responsible; but the arrangement of the detailed programs of study has been largely the work of the different Editorial Boards and divisional Editors, who have also read the manuscripts prepared under their direction. The acceptance of a monograph in this series, however, does not commit the editors to the opinions or conclusions of the authors. Like other editors, they are asked to vouch for the scientific merit, the appropriateness and usefulness of the volumes admitted to the series; but the authors are naturally free to make their individual contributions in their own way. In like manner the publication of the monographs does not commit the Endowment to agreement with any specific conclusions which may be expressed therein. The responsibility of the Endowment is to History itself—an obligation not to avoid but to secure and preserve variant narra-



tives and points of view, in so far as they are essential for the understanding of the war as a whole.

\* \* \* \* \*

For the most part, the text of the volumes of the various national series has been prepared in the language of the country concerned; and, as will be seen by reference to the "Outline of Plan" at the end of this volume, these texts with but few exceptions are published in their original languages. The most notable variation from this rule has been in the case of the Russian series, which, for the present at least, will be published only in English translation. There has also been some translation prior to publication, the aim being to present the entire body of the History of the War in the major languages of Europe, English, French, German or Italian, with the possible addition of Spanish if the scope of the history were extended in the direction of the Spanish-speaking countries.

In addition, however, to these original texts, a limited number of volumes of the European continental series are published by the American publishers in abridged and slightly modified translation. This "Translated and Abridged Series" has been prepared solely with regard to its possible usefulness for those who do not readily use the originals. It is therefore necessarily limited to volumes dealing with the more general subjects, such as the effect of the war upon the agriculture or manufactures of a country, and excludes the more special topics, like the treatment of individual industries, which would interest few except those who already know the language of the original study. This rule has been departed from in some instances in order to present to American or English readers data of peculiar interest which nevertheless come from a restricted field. The application of this criterion of usefulness naturally leaves the "Translated and Abridged Series" somewhat lacking in symmetry, in view of the fact that the British series and others (like the Russian and Japanese) originally appearing in English, are already available, without further editorial modification or abridgement.

The first volumes to appear in the abridged English translation deal with subjects of great importance, the effect of the war upon French industry, agriculture and food supply. There are similar surveys of the mechanism of government control in war-time, of the social and material disturbances due to invasion, and of the doubly



vexed question of France's war finance. Studies in Austrian and German war history and of that of the smaller nations parallel those of France, Belgium and Italy. These translated volumes, however, cover but a fraction of the field surveyed in the more special researches. Moreover, it should be noted that the more general monographs selected for translation are themselves the result of independent original research and are not dependent for their data upon the accompanying special studies prepared for more technical readers. This method of work, forced upon the authors by the exigencies of the scientific method, has sometimes led to seemingly different conclusions. But a careful examination of these apparent discrepancies will show that the ultimate synthesis is merely enriched by the consideration of variant aspects of a problem so vast and so elusive that no one statement, especially if cast in statistical formula, is adequate even to describe its terms.

J. T. S.



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I

AGRICULTURE IN FRANCE DURING  
THE WAR

BY MICHEL AUGÉ-LARIBÉ





# AGRICULTURE IN FRANCE DURING THE WAR

## INTRODUCTION

### CONDITION OF FRENCH AGRICULTURE FROM 1900 TO 1914

#### 1. *Nature and Scope of the Survey.*

THE increase in the cost of living since the war has given to agricultural questions a practical interest for the general reader that they did not formerly possess. It is to be feared that he will expect to find, in a book on *Agriculture during the War*, the means of forecasting the general trend of food prices in the near future, and that he will look for statistical confirmation of certain preconceptions that have taken deep root in public opinion, concerning the rapid revival of agriculture after the war, the enrichment of the peasantry, and the economic Malthusianism by which they are said to be holding the consumer to ransom.

If so, he should be warned against the disappointments that the author foresees. These will be due to various causes; in the first place to inadequate documentation. The economic phenomena of agriculture are not manifest to the eye of the statistician; they are perceptible to him only when they have shed their true agricultural character, and assumed that of commercial phenomena; at a stage when they belong no longer to rural, but to urban economy. One is thus led to confuse wholesale prices with agricultural prices. The prices of wheat on the *Bourse du Commerce* are available, but the exact difference between these and the prices in fact paid to the producers is unknown; this difference moreover varies according as the crop in a particular region exceeds or falls short of the needs of local consumption. Similarly the prices recorded on the Paris cattle market differ from those paid to the cattle breeder.

The statistics published by the Ministry of Agriculture are drawn up by officials who do not dispose of funds sufficient to enable them to adopt satisfactory methods of observation; nor are these officials all qualified for the scientific observation of economic facts. The statistics are very incomplete even in respect of cultivated areas and crops. As regards certain crops and certain categories of animal

produce they are completely silent. They furnish, for instance, no information whatever on food products of such importance as milk and eggs. They have for a long time ceased to take any note of those phenomena of rural economy which have a social bearing, such as the number and distribution of estates, the number of landowners, the classification of holdings according to their area, their agricultural equipment, or the methods of their cultivation; as regards these we have only a few estimates dating from more than thirty years ago, whose accuracy has been justly challenged. We do not even know the exact number of agricultural associations or of their members, except as regards such as have been obliged, at some period of their existence, to apply to the Ministry for a subvention. The requisitions of agricultural produce during the war must have given rise to accounts that it would be highly interesting to study, but they are dispersed among several ministries or are still in the prefectures; for the archives of the administration of food supply are not yet completely sorted. Only fragmentary information has been obtainable from these sources, as also from the Army Commissariat and from the Ministry of the Liberated Regions.

The fact that the present treatise on *Agriculture during the War* forms part of a series of works on the *Economic and Social History of the War* accounts for the incompleteness with which certain questions have here been treated. The author has felt obliged to limit his statement of the case in such a way as not to trench on the province of other treatises, those in particular devoted to food supply, to price regulation, and to the devastated regions and their restoration. It has not been possible to avoid showing the effect on agricultural production of requisitions and fixed prices, of the devastation of our northern and eastern territories, and of the scarcity of labor. But these subjects have been considered from the point of view of agriculture only.

There is finally a whole series of questions on which it will be seen, perhaps with surprise, that the author's views do not conform with generally accepted opinions. Townsmen are convinced that agriculturists have amassed considerable wealth as a result of the war, that farmers and *métayers* have been enabled to purchase their holdings and that the current prices of agricultural produce offer a handsome, nay, it is generally said an excessive, profit to the agriculturist.

The author has felt bound to declare that these assertions, based as they are on special instances, can only be accepted with serious qualifications. In his opinion agriculturists have been, not profiteers, but sufferers by the war. The reasons for this belief are to be found in the text; the reader will decide whether or no they appear convincing.

*2. Economic and Social Characteristics of Agriculture in France;  
Plan of the Present Work.*

ANYONE who attempted, in the years that preceded the war, to investigate the evolution of French agriculture, was struck by the narrow range of such social and economic movements as were perceptible. One tendency alone was clearly marked, the diminution of the rural population, under the double aspect of reduction of the birth-rate and of migration to the towns. All the other changes were difficult to grasp and their general effect was not easy to appreciate, either because the changes themselves were slight and confused, or because the available data were incomplete or of doubtful accuracy. As regards changes in the distribution of landed property, in particular, it appeared to be a case rather of stability than evolution; no tendency to concentration was apparent either in the ownership or the occupation of the land. Peasant proprietorship, though its vitality was threatened by excessive subdivision in process of inheritance, was nevertheless holding its ground and even perhaps developing; this fact may be attributed to diminished competition among buyers of land, as a result of the reduction of rural population, and to a more beneficent factor, agricultural coöperation. But although coöperative societies, diverse in their objects and methods, had made striking progress since their initiation, the movement, interesting and useful as it was, appeared, in the light of results actually achieved, to fall far short of complete efficiency.

Agriculture was organized principally on the basis of direct cultivation by the owner of the soil. The laborers, in most regions, were the owner's sons, men destined to become landowners themselves. Hired laborers, in the ordinary sense, constituting a rural proletariat, were to be found only in certain parts of the country where the nature of the crops and the method of tillage required the employment of considerable numbers of workmen. Disputes between



employers and farm hands regarding wages or conditions of work were confined to these regions, and so were unions of agricultural laborers. Taken as a whole the rural population continued to be in France a fundamental element of national stability.

The French peasant remained imbued, from an economic point of view, with ancient traditions, dating from a time when he produced only for himself and not for the market, when he founded his independence solely on the possession of his land and made up for the deficiency of his equipment and the conservatism of his technical methods by unremitting manual labor. As a consequence it was only very slowly that he assimilated new scientific ideas, the adoption of which would have imparted a more industrial character to French agriculture. His persistent individualism explains also his reluctance to submit himself to the strict discipline of professional associations. In short, though a certain regular advance in agricultural production was observable in France, it was less rapid than in neighboring countries, where mechanical appliances were more widely employed, where greater use was made of fertilizers, where more care was applied to the selection of seed and stock, where commercial organization was more developed, and, most important of all, where State-aided technical instruction gave proof of greater efficiency.

This impression of the slow and uncertain evolution of French agriculture finds confirmation in the Government's policy in regard thereto. When the formidable competition of new countries brought about a crisis that threatened her peasantry with ruin, France refused to accept a complete subversion of her economic traditions. She insisted on remaining an agricultural country, and on securing to the majority of her working classes a livelihood in their customary occupation; she was determined moreover to maintain her independence in the matter of food supply, knowing that the freedom of the seas was not assured to her and that she might some day be forced to war. She sheltered herself behind a tariff wall, took up a defensive position, and abandoned the struggle on the international market.

This is not the place to discuss the wisdom of the policy adopted, which enters into our subject only in so far as it explains the situation of French agriculture at the eve of the war. It will be sufficient to observe that, after twenty years of Protection, production had not quite succeeded in equaling national consumption. As to the

nation's independence in the matter of food supply during war, this is a subject on which the present inquiry will throw some light.

It is evidently a necessary preliminary to the study that we are undertaking to ascertain as summarily but as accurately as possible the situation of French agriculture in 1914. Such is the object of this introduction. On the other hand the effects of the war will make themselves felt for many years after the return of peace. Though the author's principal task is to describe the agricultural life of France during the war, this task would remain incomplete if space were not reserved for an examination of the war's ulterior consequences.

### *3. The Agricultural Territory.*

The area of France before the restitution by the Treaty of Versailles of the departments of Alsace and Lorraine was approximately 131 million acres. Over this area at the outset of the twentieth century agriculture was still predominant. Whether this predominance was due to favorable conditions of soil and climate can hardly be answered in a word, because the most marked feature of France is variety; there is a surprising range in the varieties of soil and climate, which in regions such as Flanders or Normandy approximate to those of England or Northern Germany, and in Béarn or Provence to those of Spain or Greece.

These extreme differences in natural conditions explain the great diversity of products that can be obtained from the soil of France; and by reason of the many and varied hopes that they awaken, they explain the passionate affection which that soil has inspired in its cultivators. This sentimental attachment is liable to give an erroneous idea of the soil's intrinsic qualities. By dint of talking of the 'fair land of France,' of the 'good mother earth,' we give rise to the notion that agriculture there is exceptionally easy and productive, which is not altogether the case. The satisfactory results obtained by the French peasant before he was required to supply the food of overcrowded cities and to meet the international competition of industrialized agriculture, were due above all to the extraordinary diligence with which he worked. Many an ungrateful piece of land has yielded to his stubborn labor.

Nor does the term 'variety' when applied to France signify only a variety of favorable conditions. France has variety also in the sense



that against an area of what may be considered good agricultural land must be set at least an equal extent of heaths and wastes and an even larger area of indifferent land. Uncultivable land (heaths, rocks, etc.) and non-agricultural land (i.e. that occupied by buildings, roads, canals, etc.), absorb 12.32 per cent of the territory, and woods and forests 18.67 per cent, so that a total deduction of nearly a third of the whole is required in order to arrive at the cultivable area. The proportion of uncultivated land and woodland varies greatly in different departments; if one examines a map on which these proportions are shown, as also the areas of grain land and permanent grass, it will be seen that the poorer regions take the form approximately of a semicircle along the eastern, southeastern, and southern frontiers, the more fertile areas being in the north, northeast, west, and center. This summary classification has specially in view cereal and root crops; certain southern departments, where the cultivable area does not exceed 60 to 70 per cent, where the soil is of indifferent quality and the climate excessively hot, must, it is true, thanks to the vine, be included among the most productive. But when we are comparing the results of French agriculture with those of neighboring countries in which the vine is not cultivated, we must look especially to the conditions of grain production. The mediocrity of the average yield in France could not be understood if account were not taken of the fact that the results obtained on the good soils of the north and west-center are counter-balanced by the far less favorable returns with which the farmers of the central plateau and the south have to content themselves.

We must also bear in mind that the regions exposed to invasion and which were in fact occupied by the enemy during this war are among the most fertile. The two departments which showed the best average yield of wheat for the ten years 1904-1913, were, in part at least, included in the territory occupied by troops.

#### *4. Distribution of Crops.*

The choice of the crops to be grown was, before the war, determined not only by the quality of the soil and the nature of the climate; it was affected also by the diminishing supply of labor and by the stubborn traditions which impel the French peasant to cultivate so far as possible everything that he himself consumes and that

the locality requires. That these traditions survive is due in some cases to the insufficiency or costliness of means of communication, but more generally to inadequate technical instruction and to the withdrawal of capital from agriculture.

The following table, taken from the statistics of the Ministry of Agriculture, gives the approximate areas under the principal crops on the eve of the war:

	<i>Average 1909-1913 in thousands of acres</i>	<i>Percentage</i>
Cereals	33,534	25.7
Pulse <sup>1</sup>	741	0.6
Potatoes <sup>2</sup>	4,090	3.1
Industrial crops <sup>3</sup>	962	0.7
Green crops <sup>4</sup>	12,785	9.8
Fallow	6,365	4.9
Meadows and pastures	24,891	19.0
Vines	4,088	3.1
Market gardens	603	0.5
Various crops	2,601	2.0
Woods and forests	23,632	18.0
Heaths and wastes	9,423	7.2
Non-agricultural land	7,085	5.4
	<hr/> 130,800	<hr/> 100.0

Of the area under cereals almost exactly a half was occupied by wheat, more than a quarter by oats. The area of the inferior cereals, rye and buckwheat, had steadily diminished with improved tillage. Since the invasion of phylloxera, the vineyards had been reduced by some million and a quarter acres.

A point that is worth bringing to notice is the steady change which had taken place in the proportion of the area under cereals to that occupied by green crops, meadows, and pastures. In 1882 the proportion of the former to the latter was approximately as

<sup>1</sup> Peas, beans, lentils, haricots.

<sup>2</sup> Including Jerusalem artichokes.

<sup>3</sup> Sugar-beet and beetroot for distillery, tobacco, hops, hemp, flax, colza, rape, poppy.

<sup>4</sup> Mangolds, carrots, turnips, cabbage, clover, lucern, sainfoin, rotation grasses.

15 to 10. In 1903 the two areas were approximately equal; whereas in 1913, while cereals occupied an area of only 33,000,000 acres, meadows, pastures, and green crops covered nearly 38,000,000. The reason lay in the poor return obtainable from cereal crops, and in the difficulty experienced in maintaining the required labor supply. French agriculture was encouraged to produce meat rather than corn because stock-raising paid better and needed less labor.

### *5. The Rural Population.*

In France, as in other countries, the rural population was diminishing and the urban population was increasing. The two groups, which formerly were in the proportion of three peasants to one town-dweller, were tending to become equal. The following figures<sup>5</sup> show the remarkable regularity of this process, if we allow for the disturbance caused by the war of 1870-1871 and the reduction of territory resulting from the treaty of Frankfort:

#### *In Millions of Inhabitants.*

	<i>Rural population</i>	<i>Urban population</i>	<i>Total population</i>
1846	26.6	8.7	35.4
1851	26.6	9.1	35.7
1856	26.2	9.8	36.0
1861	26.6	10.7	37.3
1866	26.4	11.6	38.0
1871	24.8	11.2	36.1
1876	24.9	11.9	36.9
1881	24.5	13.1	37.6
1886	24.4	13.7	38.2
1891	24.0	14.3	38.3
1896	23.5	15.0	38.5
1901	23.0	15.9	38.9
1906	22.7	16.5	39.2
1911	22.1	17.5	39.6
1921 <sup>6</sup>	20.1	17.3	37.5

<sup>5</sup> The census figures probably understate the rural population owing to the arbitrary classification as urban of the whole of the inhabitants of any commune containing at its headquarters an agglomeration of more than 2000 persons.

<sup>6</sup> If Alsace and Lorraine are included, the figures for 1921 are 21.0, 18.2, and 39.2.

The censuses of 1901 and 1911 give the following distribution of employments per 1000 persons engaged in professions or trades:

<i>Employment</i>	<i>1901</i>			<i>1911</i>		
	<i>Males</i>	<i>Females</i>	<i>Both sexes</i>	<i>Males</i>	<i>Females</i>	<i>Both sexes</i>
Agriculture	459	442	453	428	466	442
Other industries	382	393	386	401	365	388
Commerce	98	116	104	99	120	106
Liberal professions and public services	61	49	57	72	49	64
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1000	1000	1000	1000	1000	1000

The data therefore agree in indicating a progressive reduction of the rural population. This phenomenon has given rise to much concern, because it is due not only to a migration from the country to the towns, but also to a diminished birth-rate among rural families, where it was formerly very high.

#### *6. Distribution of Landed Property and of Holdings.*

France has for long been a model of the democratic distribution of landed property, and the French Revolution did not so much create as emancipate the peasant proprietor. Large estates, as the expression is understood in other countries, hardly exist in France. Properties ranging from 100 to 250 acres are there considered large, and those exceeding 250 acres very large; the latter, in fact, generally comprise a considerable proportion of heath or woodland. Estates of more than 2500 acres are extremely rare, perhaps a few dozen in all, apart from such as belong to the State, to communes or to companies and public institutions. On the other hand properties of less than 25 acres are numbered by millions, and those ranging from 25 to 100 acres by hundreds of thousands.

Exact data with regard to the distribution of landed property are not available. A document published by the Ministry of Finance on the results of the land valuations carried out between 1909 and 1912 gives as the approximate number of landowners 7,520,922, which represents 195 landowners per 1000 inhabitants. But there is ground for thinking that this is an overestimate.

The number of farmers who own their land is much smaller. The census of 1911 showed only 8,500,000 agriculturists, whether land-



owners or not, 5,280,000 of whom were males. This last figure approximates to the number of agricultural holdings shown by the agricultural statistics of 1882 and 1892. Unfortunately, owing to internal discrepancies, these last appear untrustworthy. However, in the absence of more reliable figures, the following information is extracted from the statistics of 1892:<sup>7</sup>

<i>Number of holdings</i>	<i>Percentage</i>	<i>Category</i>	<i>Total area</i>	<i>Percentage</i>
2,235,405	39.19	Less than 2½ acres	3,278,431 acres	2.88
2,617,558	45.90	2½ to 25 acres	27,774,409 acres	24.07
711,118	12.48	25 to 100 acres	35,354,098 acres	30.00
105,391 }	2.43	100 to 250 acres	55,558,698 acres	43.05
33,280 }		Over 250 acres		
<hr/> 5,702,752	<hr/> 100.00		<hr/> 121,965,636 acres	<hr/> 100.00

The points to note in the above, as rough approximations, are that small holdings represent about 85 per cent of the total number of holdings and occupy 27 per cent of the total area; that moderate-sized holdings form 12.5 per cent of the total number and occupy 30 per cent of the whole area; and that large holdings, though only 2.5 per cent of the total, occupy more than two-fifths of the whole territory. It must be observed, however, that in the absence of information as to the value and yield of the several classes of holdings it is impossible to form a clear idea as to their relative importance.

It appears further from the same statistics that the State owns 2.41 per cent of the total agricultural land, almost all in the form of forests, the communes 8.78 per cent, and that private property represents 87.90 per cent of the whole.

We may say accordingly that landownership is exceptionally widely distributed in France, that owners of small and moderate areas are very numerous and that a large proportion of the areas are extremely small. It may be added that although large estates form an important factor, they are only relatively large. If we eliminated from them such woods and heaths and rough mountain grazings as they comprise, they would for the most part fall into the category of moderate-sized estates. There is no reason to suppose that the distribution of landed property has perceptibly changed

<sup>7</sup> This distribution relates to agricultural land, excluding State forests.



since 1892. If anything, there would appear to have been a tendency to the breaking up of the large domains.

It has been frequently pointed out that the areas owned by peasants are as a rule unduly small and that this defect is aggravated by the fact that each area is made up of scattered plots. It is not unusual to find in certain parts of the country a peasant property of 10 to 15 acres comprising a dozen or score of distinct parcels of land. And instances can be found of subdivision carried to far more absurd lengths, vineyards, and meadows of a rod or two, ploughland a few furrows wide. We have here the price paid for the peasant's attachment to the soil that he has conquered: he cannot bear to part with it or exchange it even to facilitate redistribution.

The state of things above described explains the slow and limited progress that mechanical tillage has made in France and the inefficiency of agriculture in peasant hands where it is not reinforced by coöperation.

#### *7. Value of Landed Property and Mortgage Debt.*

Inquiries have been carried out at various dates by the Ministries of Finance and Agriculture as to the value of landed property in France; they have given the following results:

	<i>Estimated capital value frs.</i>	<i>Estimated rental value frs.</i>
1851	61,189,130,452	1,824,186,249
1879	91,583,966,075	2,645,505,565
1892	77,847,000,000	.....
1908	62,793,054,323	2,056,949,814

At about this last date M. E. Michel, chief inspector of the Crédit Foncier, basing his estimate on personal investigation, put forward, for the capital value, the apparently excessive figure of 75 billions; he was taking into account, as he explained, the numerous improvements in agriculture effected between 1900 and 1910, the planting of vines and fruit trees and the laying of land down to grass.

The average capital value on the basis of the latest Government figures works out at 502 francs, and the average rental value at 16 francs, per acre. But these values vary much in different depart-

ments, capital values ranging from 80 francs an acre in the Hautes-Alpes to 1000-1200 francs in two departments and even exceptionally to 1800 francs in the Nord; and rental values from 3 francs to 55 francs an acre. These differences are naturally due to such causes as the varying degrees of fertility of the soil, and the greater or less proximity of markets. The average value of arable land is 560 francs an acre, of meadowland 760 francs, of vineyards 820 francs; whereas woodland is worth only 250 francs and heath only 65 francs. We have here further evidence of the extremely diverse quality of French soil.

The drop in values observable since 1879 has been proportionally greater in respect of capital values than of rents. This is a consequence of important changes in agricultural conditions: the introduction of certain new crops as cattle foods or as the raw material of industry, the provision of new markets and the extension of transport facilities, the use of chemical fertilizers, and so forth, are all of them factors that have tended to raise rents. Capital values have not benefited to the same extent from these favorable influences, owing to the far smaller demand for landed property in 1910 than 50 or 60 years earlier. In the middle of the last century such was the eagerness to acquire or increase an estate that the purchaser was indifferent to the return on his investment, and the least plot of land found many bidders. The competition of stocks and shares gradually diverted capital from investments in land, which it was not always easy to dispose of, if occasion arose, without loss. This withdrawal of capital from land is, as we have observed, one of the circumstances that explain the unsatisfactory progress of French agriculture.

There are no official data relating to the total mortgage debt on real property, a factor that we require to know if we are to have a precise idea of the value of that property. Attempts have, however, been made to estimate it approximately by various methods. In 1899 Souchon, in his book on *La Propriété Paysanne*, thought an estimate of 8 billions of francs for the rural mortgage debt would not be far from the mark. Subsequently M. E. Michel, calculating from the amounts annually declared for death duties, estimated the total mortgage debt of France, taking town and country property together, for the period 1908-1912, at 15 billions. It is

impossible to say how far this estimate confirms that of Souchon, which must be accepted for what it is worth.

Although it is clearly impossible to form any idea of the distribution of this debt between large, medium and small estates, we may note a fact which has been frequently remarked. If peasants are in debt it is generally because they have not discharged the whole of the purchase price of the land they have bought, but have left the balance to be paid by instalments. There is no objection to this proceeding in a period when prices are steadily rising; it is extremely dangerous at a time of falling or uncertain prices. It may be added that even when they do not get into debt for the purpose of acquiring land, peasants are apt to apply all their available funds to its acquisition, without reserving enough, if any, as working capital. Inadequate capital organization is one of the features of French agriculture.

### 8. *The Labor System.*

The prevalence already noted of properties of small or moderate area explains the large number of holdings farmed by the owner himself, with or without the help of paid labor. In this category are also to be found a certain number of large farms of which the owner retains in a greater or less degree the control, often with the assistance of a bailiff, especially in the great wine-growing estates of the south.

The remainder of the land, such that is to say as is not farmed by the owners but is let by them, is divided between farmers and *métayers*. The most prosperous and well-equipped holdings are to be found among those let to farmers, who pay a fixed money rent. Around Paris these farms frequently extend to more than 250 acres and may comprise land belonging to more than one owner; the leases are for a fair term of years and the farmer has the right of sub-letting, conditions which permit of his sinking a considerable amount of capital in his venture with adequate security. In many other regions, where property is much broken up, leases are too short to permit of this.

*Métayage*, in which landowner and tenant share the produce of the farm, is to be met with chiefly in the less fertile regions. The system is appropriate where the cultivator is without capital and

can only supply labor; it works best when he has a large family to assist him. It is often considered as a transitional stage by which the laborer can reach the more independent position of a farmer, or even of a landowner.

The comparative merits of these different systems have been frequently discussed, but no clear conclusions can be drawn, for the reason already referred to, the diverse conditions which obtain in France. Even if there are regions where one system rather than another prevails, yet in every department all three systems, that of farmer-owners, that of tenant-farmers, and that of *métayers*, are to be met with. Even highly specialized forms of agriculture do not render one system necessary rather than another: for instance, the large vine-growing estates of the south are managed by their owners with bailiffs; in the Beaujolais they are worked by *métayers*. We can only note that farmer-owners predominate in far the greatest number of departments and that these are situated in the south and east of France. In the north and west tenant-farmers appear to be, in general, more numerous than farmer-owners. Only in two departments are *métayers* in the majority.

Out of every 100 persons working on the land in 1892, 54.10 were in the position of farm managers (owners 33.01, tenant-farmers 15.93, *métayers* 5.16) and 45.90 were assistants or paid laborers (bailiffs 0.24, day laborers 18.16, farm servants 27.50). This proportion, in which masters are more numerous than workmen, is one of the most striking things about French agriculture. It is true that allowance must be made for the fact that the masters include a large number of very small landowners who hardly ever employ workmen and sometimes even work for hire on their neighbors' land. It may even happen, in regions where property is much subdivided and the rural population much reduced, that the same man, who is owner of his house, a few plots, and a cow or two, is at the same time a paid day laborer and the tenant or *métayer* of minute parcels of land. At the census such men return themselves as landowners rather than as laborers. Judged by their mode of life, they would be classed as workmen; but it is worth noting, as a point in the social structure, that, generally speaking, the laborers on the land have a share in its ownership and class themselves among landowners.

There are in fact few regions where, by reason of special systems



of tillage, farm laborers are to be found belonging altogether to the wage-earning and proletarian class. Nearly everywhere laborers are the sons of landowners and will become landowners themselves. If it is further remembered that on small, and on many medium-sized farms the laborer works alongside his employer, on the same jobs, and leads nearly the same kind of life, it will be understood that the conditions of rural paid labor are very different from those which prevail in other industries.

If these conditions exempt agricultural labor from strict regulation and secure rather more liberty for the farm hand, they are not free from disadvantages. The irregular and seasonal character of farm work entails periods of unemployment; and though there may be a shortage of labor when roots have to be hoed or at harvest time, the laborer may at other seasons remain unhired and unpaid. Now, steady employment must be offered if labor is to be retained on the land. Moreover in the pre-war period, the low prices of agricultural produce obliged the farmer to reduce his labor bill to the utmost. The best he could do was to maintain a limited number of farm servants, hired by the month or the year, and lodged and fed; for his further requirements he had recourse to the very small landowners of the neighborhood, whom he paid by the day or week; for harvest he imported gangs of migratory laborers. Belgians used to come to the north of France to hoe the roots; and the vintage could not have been carried out in the south without the help of Spaniards and mountaineers from the Cévennes.

Salaries and wages rose steadily during the nineteenth century, except at the most acute period of the agricultural crisis; and this tendency clearly persisted during the early years of the twentieth century. But agricultural remuneration was extremely low about 1850, and notwithstanding a gradual improvement it has remained constantly below the level of industrial remuneration. The difference is especially marked if we compare annual rates of wages in agriculture and other industries. The comparison is not easy, because agricultural wages are frequently paid partly in kind; farm servants are housed and fed, day laborers are sometimes fed; and both, in certain districts, may receive additional advantages, such as firewood or the use of an allotment. As a whole it must be said that agricultural laborers were better clothed and fed after 1900



than in the middle of the last century, but that housing conditions, whether on the farm or in their own cottages, remained in general very defective. The laws for the protection of labor did not apply to agriculture, nor those fixing the length of the working day, nor those relating to employers' liability for accidents, nor again those which set up trade councils with certain judicial functions. The agricultural laborer had the feeling, and in such a matter feelings have more influence than statistical arguments, that he was on the lowest rung of the working-class ladder and he hastened to leave the fields for the town. His ambition was to become a landowner or to migrate, and even the ownership of land did not always hold him back, if the plot was very small.

These alternative possibilities account for the difference between the frame of mind of the agricultural laborer and that of the industrial worker. Laborers' unions existed in only a few districts where tillage was carried out by gangs of men, and such unions were weak. In those districts strikes took place for the maintenance of the rate of wages, and were occasionally accompanied by violence, as often happens where the workmen are unused to organized discipline. The strikes showed that agriculture could not remain stationary and indifferent to surrounding progress, but their serious character was exaggerated.

To sum up, French agriculture was faced with a serious shortage of labor. The low rate of profit did not allow of a general increase of wages. The scarcity of available capital, the division of the land into small plots, and in many regions the character of the ground, placed difficulties in the way of the introduction of machinery. To meet the shortage of labor, workmen were imported from Italy, Spain, Belgium, and even Poland. The normal shortage was reckoned at 100,000 men.

#### *9. Agricultural Produce; Crops and Stock.*

The following is the average annual amount of the principal crops for the decade 1904-1913:

	<i>Tons</i>
Wheat	8,703,000
Meslin <sup>8</sup>	164,000
Rye	1,288,000

<sup>8</sup> Mixture of wheat and rye.

Barley	959,000
Buckwheat	453,000
Maize	552,000
Oats	4,783,000
Potatoes	12,224,000
Jerusalem artichokes	1,335,000
Sugar-beet	5,714,000
Beet for distillation	1,841,000
Sugar	694,000

*Thousands of gallons*

Wine	1,174,580
Cider	404,119
Alcohol (of all kinds)	57,475
Beer	306,847

The average production of wheat, 8,703,000 tons, was reduced by the exceptionally bad crop of 1910; the average for the period 1898-1907, the highest ever recorded, reached the figure of 9,113,000 tons, and the record crop of 1907, 10,605,000 tons. The average for oats gives a misleading idea of the situation at the eve of the war, as the area under this crop, as well as the yield per acre, was showing a steady increase. Potatoes, and still more the recently introduced Jerusalem artichoke, showed a similar tendency to increase. The heaviest vintage since the phylloxera crisis, that of 1907, was estimated at 1452 million gallons; the record vintage was that of 1875, amounting to 1843 million gallons.

The annual returns of farm animals give the following averages for the decade 1904-1913:

	<i>Number</i>		<i>Number</i>
Horses	3,189,670	Sheep	17,145,500
Mules	191,630	Pigs	7,119,300
Asses	361,140	Goats	1,434,479
Oxen	14,336,860		

The number of horses and oxen was steadily increasing, that of sheep rapidly diminishing, owing to the dearth of shepherds. In 1913 the figure for oxen, 14,787,710, comprised 7,794,270 cows, 2,853,650 yearlings, and 2,853,650 calves. No information is available as to the production of meat, milk, butter or eggs, or as to the numbers of poultry.

### 10. *The Consumer's Requirements.*

The business of French agriculture was to supply the needs of the French consumer. The extent to which it succeeded in doing so can be ascertained if we add the agricultural produce imported to that grown at home and deduct exports, basing our calculation on ten-year averages.

The period 1904-1913 gives the following average figures for wheat and meslin combined:

	<i>Thousands of tons</i>
Wheat produced at home	8703
Meslin produced at home	164
Imports (grain and flour in terms of grain)	638
	<hr/>
Deduct exports	41
	<hr/>
Quantity available	9464

The figure of 9,400,000 tons is generally accepted as representing the amount required for local consumption, including seed. At the average of 143 lbs. of seed per acre, the latter would require in all 960,000 tons, leaving 8,440,000 tons for food consumption or 475 lbs. per inhabitant. The total required for food consumption is estimated by some authorities at only 8,000,000 tons.

By the same process of calculation we can arrive at the amounts of the other agricultural products required for the food and drink of the nation, and the resulting figures show that production met requirements in the following proportions:

Wheat and meslin	93.7%
Rye	98.2%
Barley	90.3%
Buckwheat	100.5%
Oats	94.1%
Maize	58.6%
Potatoes	100.7%
Wine	91.5%
Cider	100.01%
Beer	99.6%
Sugar	117.2%

Thus, as regards the principal foodstuffs, national production either exceeded the requirements of the consumer or met them to the extent of nine-tenths.

The statistics of exports and imports supply information with regard to certain other products as to which the agricultural statistics are defective:

*Average of 1904-1913.*

	<i>Excess of imports over exports Number</i>	<i>Excess of exports over imports Number</i>
Horses	.....	15,459
Mules	.....	12,064
Asses	4,157	.....
Oxen	.....	51,188
Sheep	1,091,833	.....
Pigs	84,253	.....
Goats	.....	742
	<i>Tons</i>	<i>Tons</i>
Butchers' meat	.....	1,212
Salted or smoked meat	3,991	.....
Live poultry and game	3,730	.....
Eggs	21,655	.....
Butter and cheese	.....	6,194
Wool	187,745	.....

Apart from sheep, whose diminishing number made it necessary to import considerable numbers for slaughter and a large quantity of wool, these statistics show that the requirements as regards meat and dairy produce were fully met. The production of poultry and more especially of eggs was inadequate.

The local supply of such agricultural products as were used as raw materials of industry was in general insufficient. In particular, the cultivation of hemp and flax had so much diminished that imports far exceeded the quantity of home-grown material.

So far as concerns food supply, it must be recognized that the requirements of the country could almost entirely be met from the produce of its agriculture; in good years there was even a surplus. Deficiencies arose in the main from irregularities in the yield, and from the difficulty of keeping abreast of the growing demand.

### 11. *The Market for Agricultural Produce.*

It is extremely difficult to give any precise information regarding the market for agricultural produce because from the producer's standpoint it is practically unorganized. A crowd of several million sellers, without combination, ill-informed, and often in a hurry to sell in order to replace their working capital, addresses itself to a few hundred dealer buyers. Differences of quality are insufficient to explain the differences of price observable between one district and another and often within the same district. Brokers and agents, acting as intermediaries between producers and merchants, seem to make it their business to hunt out such of the former as are forced to sell their crops in a hurry and in consequence to accept low prices.

The actual prices are difficult to ascertain. Many sales are effected outside the markets, or on markets where prices are not recorded. Many of the prices recorded on Exchanges are of little value because the magnitude of the sales is not stated, and in any case are not the absolute prices received by the farmer. What is sold on such Exchanges is generally produce already commercialized, sorted, graded, and transported to the center of consumption or the wholesale market. Such prices, which are influenced by world rates, often vary considerably in the course of the year; how can an average be determined if the quantities sold at the various rates are not known? One may even question the genuineness of the prices published, for they are not agreed by representatives of producers and merchants, but by the latter alone. The average prices given below should therefore be accepted with all reserve.

It should further be noted that the figures sometimes differ according as they are taken from one or another set of statistics, even though issued by the same Ministry, and the differences are not easy to explain. The following, extracted from the Ministry's annual statistics, give an idea of the general trend of prices during the years that preceded the war:



*Price per quintal (220 lbs.).*

	<i>1909</i> <i>frs.</i>	<i>1910</i> <i>frs.</i>	<i>1911</i> <i>frs.</i>	<i>1912</i> <i>frs.</i>	<i>1913</i> <i>frs.</i>
Wheat	23.31	25.21	25.67	27.73	26.98
Rye	17.42	17.93	19.32	21.07	20.00
Barley	18.90	17.85	19.56	19.65	20.79
Buckwheat	18.25	19.31	20.79	22.44	19.36
Oats	20.07	19.20	20.56	21.18	21.28
Maize	20.73	20.40	20.78	21.01	21.23
Potatoes	5.48	10.38	8.35	7.25	8.30
Wine (per hectoliter —22 gallons)	17.00	38.00	27.00	28.00	32.00

The poor crop of 1910 had brought about a rise in prices, which persisted, for it was supported by other factors of a more general nature. Even before the war newspapers were talking of the high cost of living.

*12. The Agricultural Balance Sheet.*

The agricultural statistics of 1912 included a draft balance sheet, based on various data or on mere estimates, which may be noted for what it is worth and may serve to form an idea of the place occupied by agriculture in the country's economy.

The capital engaged in agriculture was estimated at 90 billions of francs, distributed as follows:

	<i>Fr.</i>
Capital in real estate:	
Agricultural land	59,571,263,000
Agricultural buildings	10,800,000,000
Farming capital:	
Live-stock	7,100,000,000
Poultry	250,000,000
Agricultural plant	3,200,000,000
Seed	950,000,000
Working capital	8,000,000,000
	<hr/>
	89,871,263,000

Receipts and expenditure may be summarized as follows:

<i>Receipts</i>		<i>Millions of francs</i>
Cereals, grain, and straw		5,374
Other crops (including meadows)		5,245
Vines		1,816
Market gardens, fruit, etc.		1,060
Woods and forests		300
Live-stock slaughtered or exported		3,890
Dairy produce		1,500
Wool		50
Poultry, rabbits, eggs, etc.		700
Silk-worms, honey, wax		42
		<hr/>
		19,977
<i>Expenditure</i>		
Taxation		762
Rent		2,750
Interest at 3 per cent on farming capital		540
Sinking Fund on buildings		180
Sinking Fund on plant		320
Labor		6,000
General expenses, insurance, maintenance, etc.		3,480
Interest on capital sunk in seed		23
Straw and feeding stuffs		5,000
Chemical manures and interest		150
		<hr/>
		19,205
Net profit		772
		<hr/>
		19,977

One cannot help being struck by the disproportion between net profit and total receipts. The former represents only 0.857 per cent of the capital employed. Rent is estimated at 4.6 per cent, sinking fund is calculated on the basis of 60 years for buildings and 10 years for plant; the figure for the remuneration of labor is wretchedly low if regard is had to the numbers engaged. We can easily understand after studying this balance sheet how it is that capital has deserted the land. What the great bulk of farmers earned did not represent much more than the cost of their food; taken as a whole the average

yield was far less than could be obtained from investments in stocks and shares.

On the other hand the gross produce of agriculture far exceeded in value that of the principal other industries. Whereas the wheat crop was worth two billions of francs, that of oats one billion, and the vintage a billion and a half, the coal produced in France in 1913 was valued at 676 millions, cast iron in 1911 at 340 millions, wrought iron and steel at 652 millions, and all other metals at less than 100 millions.

If we admit the figure of 290 billions as representing the total wealth of France, agricultural property and farming capital formed nearly a third of the whole.

### 13. *Yield of Crops and Stock.*

For the purpose of comparison with the results obtained during the war and in neighboring countries, the yield of the principal crops per acre is worth noting. The following figures are based on the annual returns of the Ministry of Agriculture. These returns are particularly defective, being based on inadequate data imperfectly verified. But if we take the average yields of ten years over the whole country, checked by the *maximum* and *minimum* yields of the period, we may hope that errors will compensate each other. Those who are led, by the low yields recorded in France as compared with other countries, to think that French statistics consistently understate results, no doubt lose sight of the fact that averages are necessarily lowered by the marked regional and seasonal variations already alluded to. What the extent of these is may be inferred from the fact that during the decade 1904-1913 the average yield of wheat was 1766 lbs. per acre in the ten most productive departments and 778 lbs. in the ten worst. The largest average crop was that of 1907 in the department of the Nord, 2430 lbs. per acre, the smallest that of 1910 in the Lot-et-Garonne 405 lbs.

*Average yield per acre in lbs. for the period 1904-1913.*

Wheat	1,203
Rye	955
Barley	1,179
Buckwheat	828
Oats	1,105
Maize	1,037
Potatoes	7,797
Jerusalem artichokes	12,041
Sugar-beet	21,814
Beet for distillation	32,930
Wine (gallons)	291

As regards the numbers of stock kept per 1000 acres of agricultural land (excluding woods but including heaths and wastes) the average for 1904-1913 was as follows:

Horses	31.8
Mules	1.9
Asses	3.6
Oxen	143.2
Sheep	175.4

If we compare these figures with those of neighboring countries, the French agricultural situation does not appear a brilliant one. The following table, taken from the International Statistical Annual of Agriculture, prepared in Rome, gives the average yield per acre of the several crops for the period 1905-1914 and shows the position of France relatively to other countries:

<i>Wheat</i>		<i>Barley</i>	
	<i>Lbs. per acre</i>		<i>Lbs. per acre</i>
Denmark	2,687	Belgium	2,438
Belgium	2,180	Netherlands	2,331
Netherlands	2,127	Denmark	1,922
Great Britain	1,940	Germany	1,780
Switzerland	1,904	Great Britain	1,708
Germany	1,833	Switzerland	1,646
Luxemburg	1,326	Luxemburg	1,424
<i>France</i>	1,201	<i>France</i>	1,192
Italy	873	Spain	970
Spain	774	Italy	747

<i>Potatoes</i>		<i>Sugar-beet</i>	
	<i>Lbs. per acre</i>		<i>Lbs. per acre</i>
Belgium	15,157	Italy	29,860
Great Britain	12,799	Netherlands	27,314
Denmark	12,558	Denmark	26,477
Netherlands	12,460	Germany	25,142
Germany	12,229	Switzerland	24,528
Luxemburg	10,725	Belgium	24,466
<i>France</i>	7,788	Spain	22,989
Italy	5,108	<i>France</i>	21,279

As regards stock, the Rome Annual gives the number of head per given area of productive land, but in this it includes woods and forests and excludes uncultivated land, some of which is certainly made use of, at least for sheep, so that the conclusions to be drawn from the following table are open to criticism.

<i>Horses</i>		<i>Oxen</i>	
	<i>Number per 1000 acres</i>		<i>Number per 1000 acres</i>
Denmark	60	Belgium	291
Belgium	50	Netherlands	285
Netherlands	46	Denmark	268
Germany	35	Switzerland	186
Luxemburg	30	Germany	158
Great Britain	27	Luxemburg	151
<i>France</i>	26	Great Britain	146
Switzerland	19	<i>France</i>	104
Italy	14	Italy	94
Spain	5	Spain	22

<i>Sheep</i>		<i>Pigs</i>	
	<i>Number per 1000 acres</i>		<i>Number per 1000 acres</i>
Great Britain	502	Denmark	271
Italy	169	Belgium	231
Spain	138	Luxemburg	205
<i>France</i>	116	Netherlands	184
Netherlands	114	Germany	171
Denmark	56	Switzerland	74
Germany	45	Great Britain	54
Belgium	29	<i>France</i>	49
Switzerland	21	Italy	38
Luxemburg	9	Spain	22

There is ground for thinking that a more exact classification and a better system of returns would give France a somewhat higher po-



sition in the above lists. It has been pointed out that the average yields of wheat and potatoes and the figures of stock attributed to France are unduly low. But the point is not worth discussing, for whatever corrections might be made, her position would remain a comparatively low one. Only in respect of the vine did she, before the war, hold the leading place, both as to total production, yield per acre, and quality.

Her relative inferiority is not surprising, if one considers the quantities of chemical fertilizers consumed in the various countries of western Europe. In those which show the best yields of cereals and potatoes, the consumption was far higher than in France. It should be added that those countries, maintaining as they did a larger head of stock, also disposed of larger quantities of farmyard manure.

Moreover, modern technical methods remained unknown, or at least insufficiently known, to the great bulk of French cultivators. Agricultural periodicals, circulars of agricultural societies, and occasional lectures, no doubt gave general information in regard to these, but they were not sufficiently reinforced by practical demonstrations of theories and general principles to permit of the application of the latter to given local conditions. Where small holdings prevailed, traditional methods held their ground because there had been no serious crisis, like the devastation of the vines by phylloxera, necessitating an immediate change in the method of cultivation; the use of fertilizers and the selection of seed made their way but slowly. Labor-saving appliances, whether horse-drawn or motor-driven, were relatively scarce because, on large farms, the farmer hesitated to sink the necessary capital, and because, on the others, the division of the land into small plots, or, frequently, the slope of the ground, rendered such appliances uneconomical. French agriculture depended on a plentiful supply of labor, whereas labor, as we have seen, was deserting the land.

It must be admitted that the protectionist policy adopted by France in 1892 was not calculated greatly to stimulate production; but the farming class are still far from making this admission, and the assertion that protection against foreign competition has not in fact brought about rapid progress gives rise to vigorous protests. The protectionist system had no doubt enabled French agriculture to hold out under difficult conditions, but the 'stimulant' which the

supporters of Protection see in it had not been sufficient, after operating for more than 20 years, to enable agriculture to discharge completely the task which had been set before it, that of securing absolutely the country's food supply. But if it was advancing towards this goal less rapidly than might have been wished, it must be conceded that it had clearly made a start in the path of progress.

#### 14. *The Progress of Agriculture since 1900.*

Having indicated the defects of French agricultural organization, we should be leaving the reader with a false impression of the situation on the eve of the war, if we allowed him to think that farmers had abandoned themselves supinely to the sluggish influences of the protectionist system. Agriculture, on the contrary, was passing through a period of marked, if not very rapid, evolution. The yield of the principal crops for the average of the quinquennial periods of which 1890, 1900, and 1910 were the middle years showed an appreciable improvement.

	<i>Average 1888-1892 Lbs. per acre</i>	<i>Average 1898-1902 Lbs. per acre</i>	<i>Average 1908-1912 Lbs. per acre</i>
Wheat	1,024	1,202	1,173
Oats	956	987	1,142
Barley	1,240	1,125	1,394
Maize	1,063	1,035	1,100
Potatoes	6,850	6,962	8,028
	<i>Total number</i>	<i>Total number</i>	<i>Total number</i>
Horses	2,862,646	2,933,892	3,221,630
Oxen	13,585,747	14,218,552	16,442,172
Pigs	6,283,772	6,648,788	7,006,366

The following figures show that the consumption of fertilizers was increasing:

	<i>1899 Tons</i>	<i>1909 Tons</i>	<i>1913 Tons</i>
Superphosphates	980,000	1,500,000	1,950,000
Basic slag	170,000	250,000	500,000
Various phosphates	300,000	200,000	400,000
Potassium salts	87,000	15,000	136,000
Nitrate of soda	179,300	263,580	300,000
Sulphate of ammonia	50,000	81,311	95,000

There had been a great development as regards agricultural implements; no returns have been prepared since 1892, but at the Con-

gress of Agricultural Machinery held in 1911 it was stated that the number of reaping machines had increased tenfold in many districts.

Coöperation was making steady progress, though its organization was far from complete. In 1884 five coöperative societies were formed. In 1900, according to returns published by the Labor Ministry, there were 2069, with 512,800 members, and in 1914, 6667, with more than a million members. These societies, differing very much from one another in their aims, the area they covered, and the number of their members, were grouped in about a hundred regional unions. In general their object was to secure for their members the advantages of the wholesale purchase of agricultural requisites. They also supplied information regarding technical methods and accustomed their members to solidarity of action.

By the side of these had been formed certain special societies, notably for mutual insurance against particular agricultural risks. In 1897 there had been registered 1469 mutual societies for the insurance of cattle, which comprised 87,000 members and had issued policies to the value of nearly 60 million francs. In 1914 such societies numbered 9971, with 503,723 members and total policies amounting to 628,994,520 francs.

The organization of agricultural credit, much needed in a country of small farmers, was giving satisfactory results. In 1913, there were 4523 mutual credit societies, assisted by the State, with 236,860 members and a loanable capital of 162,298,014 francs.

A few societies had been formed for the purpose of the coöperative sale of agricultural produce. Those which had received subventions from the State numbered 437 in 1914 (57 dairies, 155 cheese-factories, 68 societies for the manufacture of wine, 18 for that of oil, 2 for that of starch, 32 distilleries, and 75 societies for the coöperative use of agricultural implements). There were in addition other such societies not subsidized by the State, of which we have no record.

Finally, technical instruction was making perceptible progress. It was given not only by certain important district associations, but also by officials of the Ministry of Agriculture quartered permanently in each department.

These improvements in organization justified a hopeful view of the future.

PART I

CONDITIONS OF AGRICULTURAL PRODUCTION  
DURING THE WAR





## CHAPTER I

### THE CROPS FROM 1914 TO 1918

FRENCH agriculture, as we have seen, was in no condition to face the shock and test of war. It was not organized, either from a technical or a commercial point of view, to meet with promptitude the requirements, modified in form and quantity, of the consumer. The French idea of war, that is, of a purely defensive war in which the whole nation would answer the call to arms to resist invasion, did not even admit of the maintenance of regular agricultural production. No plan had been prepared for agricultural mobilization, for the continuance or increase of tillage of the soil. The food supply of the armies was to be secured in the main through the stocks held by the Commissariat, and for the rest by the requisitions that the latter had been authorized to effect by laws of 1877 and 1890. Further provision was deemed unnecessary, since all were agreed that a long war was outside the bounds of possibility.

It is difficult to realize today the extent to which the belief in the short duration of the war prevailed. It was not only soldiers who in October and even in November 1914 imagined that they would be back at home to eat their Christmas turkey. Even distinguished economists shared this opinion, as is testified by the weekly notes of M. Leroy-Beaulieu, in *L'Economiste français*.

This illusion was particularly fatal to agriculture, an industry that cannot modify its program of production from month to month. Deprived at the outset of the greater part of its labor supply and little by little of its chief means of action, it was forced to reduce the area under cultivation and to see its crops grievously diminished; in ten departments, some of them the most productive in France, it was overwhelmed by the fearful devastation of war. Hampered by administrative regulations, debarred from receiving anything by rail, as the railways were taken up with the needs of the army, scantily supported by tardy and ill-designed incentives to production, the industry was subjected to requisitions and to fixed prices promulgated without due regard to the increase in the cost of production. It found itself, at the end of the war, exhausted by

heavy losses of man-power, faced with the immense task of bringing the land back into condition, not only in the devastated regions but throughout the greater part of the territory, where the soil had suffered from neglect and lack of manures.

The consequences upon agriculture of a four years' war are so complex, that it is advisable to begin by presenting a picture in which the various changes are summarized, before we study them one by one.

The question here again arises of the degree of reliance that may be placed on the official statistics to which we shall have recourse, particularly in regard to a period when the general perturbation rendered it, no doubt, particularly difficult to draw them up. Though certainly not accurate, they will probably serve for purposes of comparison, for they were compiled throughout by the same officials and according to the same system. It is possible, however, as regards wheat and other cereals employed in breadmaking, that the increases recorded in 1918 were not due solely to a real increase in the crops, but also in part to more thorough investigation. In order to get the advantage of higher fixed prices, farmers were at this period required to make returns of the amount of their crops, and their stocks were verified. As the result of an agreement between the Ministry of Agriculture and the General Staff, numerous inspectors, with greater facilities than the Directors of Agricultural Services generally have at their disposal, were sent to examine and estimate stocks and crops. It has been stated that the result of their investigation led those who studied it to believe that previous statistics of agricultural production were almost always and in almost all respects below the mark, probably to the extent of 180 lbs. an acre for wheat. This probably led the Agricultural Department, in preparing the statistics of 1918, when the crops were better than in the preceding years, readily to adopt high estimates of the yield. We may infer that the figures prior to those of 1918, both before the war and during the early years of the war, were unduly low, but it is impossible to say to what extent.

Appendices I, II, and III give, by means of such figures as are available, a measure of the rapid decay of French agriculture during the war in respect of (a) areas under cultivation, (b) total yield of crops, and (c) numbers of stock. The following tables,

showing in the form of percentages the changes that occurred in the above, give the information in another form:

*Areas under various crops.*

(Estimated area for 1913 = 100)

	1914	1915	1916	1917	1918
Wheat	92.6	83.9	76.8	64.0	68.0
All cereals	93.0	83.3	78.0	69.6	67.6
Pulse	94.6	83.4	80.9	86.0	80.6
Potatoes	99.2	86.8	82.7	88.5	77.0
Sugar-beet	53.8	30.5	33.3	30.5	26.5
Permanent pasture and meadow	97.2	97.7	99.5	101.1	100.1
Uncultivated land	98.1	109.4	116.3	120.8	119.4

*Total yield of various crops.*

(Estimated average yield, 1904-1913 = 100)

	1914	1915	1916	1917	1918
Wheat	87.0	68.5	63.6	41.4	69.4
Rye	85.1	64.2	64.7	47.8	56.1
Barley	100.1	71.0	85.5	83.2	61.2
Pulse	122.7	85.2	64.8	76.7	71.6
Potatoes	89.3	70.0	65.4	77.4	47.8
Sugar-beet	64.6	19.7	34.2	33.8	19.6
Roots for forage	101.4	73.8	79.1	84.5	55.2
Temporary grass	101.8	97.9	89.6	86.2	71.2
Permanent grass	105.5	110.2	100.5	89.8	81.3
Wine	98.8	92.0	88.7	83.8	80.9

*Numbers of stock.*

(Estimated numbers for 1913 = 100)

	1914	1915	1916	1917	1918
Horses	68.4	68.5	69.7	71.4	69.5
Mules	80.8	77.1	78.7	76.5	75.2
Oxen	85.6	84.8	83.3	82.9	82.9
Sheep	87.8	76.1	67.2	61.2	56.1
Pigs	84.2	69.7	61.9	59.1	56.7
Goats	91.1	85.6	81.7	80.9	83.4

The diminution of numbers shown by the last table is less marked than might have been expected, the losses having been in a measure

compensated by the large increase in imports, as the following figures show:

<i>Excess of imports or exports.</i>						
	<i>Average</i>					
	<i>1904-1913</i>	<i>1914</i>	<i>1915</i>	<i>1916</i>	<i>1917</i>	<i>1918</i>
<b>Horses</b>						
Excess of imports	.....	9,956	240,798	198,748	66,583	.....
Excess of exports	15,459	.....	.....	.....	.....	1,591
<b>Mules</b>						
Excess of imports	.....	.....	10,231	34,174	6,502	.....
Excess of exports	12,064	3,514	.....	.....	.....	7,919
<b>Oxen</b>						
Excess of imports	.....	.....	72,869	29,224	29,544	20,260
Excess of exports	51,188	21,900	.....	.....	.....	.....
<b>Sheep</b>						
Excess of imports	1,091,833	690,486	1,173,613	846,225	661,940	388,589
<b>Pigs</b>						
Excess of imports	84,253	.....	4,805	8,357	11,481	.....
Excess of exports	.....	46,902	.....	.....	.....	8,556

Instead of exporting horses, mules, and oxen, France was obliged from 1915 onwards to import large quantities, notwithstanding the difficulties of sea transport. That the imports of sheep diminished was due solely to the impossibility of maintaining them on a level with the needs of the consumer.

To summarize by a few striking instances what the statistics reveal, it may be pointed out that France lost, taking for each crop the least favorable year of the war, nearly 60 per cent of the wheat, 52 per cent of the rye and buckwheat, 38 per cent of the barley, and 47 per cent of the oats, that she reaped in a normal year. In potatoes the loss reached a figure of over 50 per cent, in pulse (beans, peas, lentils, etc.) somewhat less than 30 per cent. Sugar-beet and beet for distillation, being principally grown in the North, suffered the most and their output was largely reduced, particularly in 1918, when the loss exceeded 80 per cent.

Forage crops showed some reduction, but much less. As we shall see, the area under these crops and under grass slightly increased.

As regards substances manufactured out of agricultural produce, their output was affected chiefly by their geographical position. Sugar, alcohol, and in a less degree beer, coming from northern fac-



tories, suffered heavily, beer to the extent of more than 58 per cent, alcohol 68 per cent, and sugar 84 per cent. Wine showed a steady reduction which reached 19 per cent, although the vine area was scarcely touched by the invasion.

One important item of food supply, milk, does not figure in the statistics. According to estimates prepared by the Food Department, the output, which in 1913 was about 1,210 million gallons, fell in 1918 to 631 million gallons, owing to the reduction in the number of milch cows and to the diminished yield brought about by inferior feeding. We have no information as to the extent to which this quantity of milk was consumed in its natural state or converted into cheese and butter.

Official statistics likewise afford no information as to the quantities of eggs, fats, and oils produced, or as to the numbers of poultry, rabbits, etc., reared.

The areas under the principal crops show reductions far smaller in proportion than those of the crops themselves. Whereas the wheat crop fell off by 58.6 per cent in 1917, as compared with the average of 1904-1913, the area under wheat in 1917 was only 36 per cent below that of the year 1913. The area under pulse crops fell by only 20 per cent, for potatoes by 23 per cent; vineyards were reduced by less than 4 per cent. The reduction is very high only in the case of beet, 77.5 per cent for sugar-beet, 63.6 per cent for beet for distillation.

As regards the area under forage crops, the changes during the war are very characteristic. Whereas the area under the forage crops that require a certain amount of tillage, such as roots and temporary grasses, shows a steady reduction, reaching 16 per cent in 1918 as compared with 1913, that of permanent grass steadily increased; so much so as to be slightly higher in 1917 and 1918 than in 1913, notwithstanding the loss of the meadows and pastures comprised in the invaded territory.

The area under wheat in 1918 showed a reduction as compared with 1913 of more than 5,000,000 acres, and that under all cereals a reduction of nearly 10,000,000 acres out of a total of 33,000,000, either as a consequence of invasion or of restricted tillage. Pulse crops lost only some 150,000 acres, potatoes over 1,000,000; indus-



trial crops (sugar-beet, tobacco, hops, hemp, flax, etc.) lost more than 600,000 acres, that is, two-thirds of their area in 1913.

As it is essential to insist at the outset on the losses which agriculture suffered by reason of the war, the facts may further be set out in the form of a comparison of the average yields of the principal crops for the five war years and for the decade 1904-1913:

*Total annual production.*

	<i>Average 1904-1913 Tons</i>	<i>Average 1914-1918 Tons</i>	<i>Reduction Tons</i>
Wheat	8,703,000	5,736,000	2,967,000
Rye	1,288,000	819,000	469,000
Barley	959,000	770,000	189,000
Buckwheat	453,000	370,000	83,000
Oats	4,783,000	3,501,000	1,283,000
Potatoes	12,224,000	9,469,000	2,755,000
Sugar-beet	5,714,000	1,968,000	3,746,000
Beet for distillation	1,841,000	938,000	903,000
Sugar	694,000	184,000	510,000

	<i>Thousands of gallons</i>	<i>Thousands of gallons</i>	<i>Thousands of gallons</i>
Wine	1,174,580	879,648	294,932
Cider	404,119	354,750	49,369
Alcohol	57,475	33,088	24,387
Beer	308,847	166,518	142,329

As regards numbers of live stock, comparison of the figures of 1913 and 1918 shows a loss in the latter year of 990,150 horses, 49,210 mules, 25,280 asses, 2,536,830 oxen, 7,070,280 sheep, 4,187,380 pigs, and 237,480 goats. It must further be noted as regards oxen that the loss is even heavier than these figures reveal, for it relates almost entirely to fully grown animals; there is a smaller head of stock, and it represents a very much smaller weight of meat.

It results from the above statistics that the reduction of crops during the war cannot be accounted for entirely by the reduction of cultivated area. It is due in a far greater measure to a yield per acre which, but for exceptional climatic variations, goes on steadily diminishing. Appendix IV gives the average annual yield per acre

of the principal crops, and the following table shows these yields for the war years in the form of percentages:

*Average yield per acre of principal crops.*

(Average yield for 1913 = 100)

	1914	1915	1916	1917	1918
Wheat	93.8	81.6	81.9	64.5	102.1
Rye	97.4	83.8	90.7	78.5	96.9
Oats	103.6	85.4	102.8	84.6	75.8
Barley	102.1	81.8	100.9	88.9	81.2
Maize	107.4	98.4	101.5	94.5	69.5
Potatoes	91.9	79.7	78.2	86.6	62.5
Sugar-beet	114.3	61.7	99.9	106.0	70.6
Beet for distillation	105.2	55.1	81.4	83.2	48.4
Wine	119.5	40.7	72.6	76.4	91.3

Thus, after three years of war, at a moment when France needed all her energy for a struggle in which her very existence was at stake, agriculture was no longer able to produce more than a half of the normal crops of wheat and potatoes. And yet the difficulties in the way of obtaining food supplies from abroad were such as to offer every incentive to the development of local production to the utmost degree. If she failed to get more than this from her own soil, it must clearly have been impossible to do so.

Having sent the bulk of her peasantry to join the armies, she lacked the labor necessary to till the land. Not only was the total cultivated area reduced, but crops requiring much attention made way for those, such as meadows, requiring little but harvesting. First then among the causes of the decay of French agriculture stands deficient labor supply.

The reduction of the area under the principal crops is due to two causes. During the whole period of hostilities we must deduct from the available agricultural land the portion occupied by the enemy and that which, having been reconquered, had been so ravaged as to be incapable of producing normal crops. Part of the live stock had fallen into the enemy's hands. A large number of the factories dealing with agricultural produce, especially sugar factories and distilleries, were situated in the invaded territory. We shall therefore have to examine the damage to agriculture directly caused by the invasion.

In the inner zone, the reduction of the cultivated area was due not only to scarcity of labor, but to a series of technical difficulties that will be dealt with in a separate chapter.

We shall then have to examine the influence on production of varying prices, the effects of requisitions and fixed prices, and on the other hand the incentives to production offered by the Government.

## CHAPTER II

### THE MOBILIZATION OF AGRICULTURAL LABOR AND THE PROBLEM OF LABOR SUPPLY

#### *The Labor Supply.*

Two figures suffice to give a striking idea of the difficulties that agriculture must have experienced as a result of the withdrawal of labor: 3,704,000 men were sent into the ranks at the outset of mobilization; by the end of the war this number had risen to 7,935,000, not including Algerians or colonials; that is to say, one-tenth at the beginning of the war and by the end one-fifth of the entire population. In 1911 the active male population was estimated at 12,644,000. The number mobilized bears to this figure the proportion of 29.3 per cent at the outbreak, and 62.7 per cent at the close of the war.

No classification by professions of the men mobilized is available. It is therefore impossible to state from official sources how many agriculturists were enlisted. Various attempts have, however, been made to arrive at the figure. A fairly reliable basis is afforded by the census of 1911, which distributed the active male population into eight categories. If one could assume that each profession was equally affected by the mobilization, we should, by applying the above percentages, arrive at this result:

<i>Number of Agriculturists in 1911</i>	<i>Mobilized in 1914</i>	<i>Mobilized in 1918</i>
5,237,000	1,532,941	3,283,599

But as certain professions, such as government employment and the transport services, were less drawn upon than others, while far more men were sent back from the front to assist war industries than were returned to agriculture, one is led to infer, by making suitable allowance for these facts, that the army must have comprised over 3,700,000 agriculturists. It would therefore appear that about 1,500,000 men were left on the land to do the work which normally employed 5,237,000, and these moreover constituted a labor supply

inferior in quality, since they were either too old or too young or too weakly for military service.

The active agricultural population, however, in addition to 5,237,000 men, comprised 3,238,000 women, and it was these who maintained production, with the assistance of the unfit and of such workmen as under the pressure of necessity were restored to agriculture in the course of the war. There is ample testimony to the energy, the stoicism, and the technical skill with which these women undertook the heavy labors of the field; they were well prepared by their previous mode of life for the task thus suddenly imposed upon them—a fact which does not detract from their merit in successfully discharging it. It is said with truth that French agriculture is organized as a family industry. On small and sometimes on medium-sized farms men and women worked in close association; the woman's sphere was generally the house and the poultry-yard, but in many of the poorer regions the woman at certain seasons used to do much of the tillage herself. It is not surprising therefore that women showed themselves capable during the war of managing farms, of directing workmen, and on occasion of making good the scarcity of labor.

The fact, however, remains that it was quite impossible to maintain output at its former level with a labor supply thus reduced; whereas this output ought to have been increased to meet war-time requirements.

It was some time before this was understood. As the war was to be a short one, the land, being in good condition, could be counted on to go on producing without fertilizers and with a minimum of tillage. For the rest, reliance was placed on the good will of all who were not mobilized. The first circular of the Minister of Agriculture, of the 1st August 1914, confined itself to directing the prefects 'to take the necessary steps for employing all available hands.' On the 4th he informed them of the despatch of sailors to help farmers with the harvest and threshing. On the 6th August the President of the Council published a Call to the women of France, asking them 'to carry on the work of the rural districts, to complete the year's harvest, and to prepare for that of the ensuing year.'



When finally it was realized that the war would last longer than had been anticipated, organization was required. The Central Syndicate of French Agriculturists had already set the example. In the first days of August it had taken steps to send on to the land men of peasant origin whom the closing down of factories had left without work. At the outset applications had been fairly numerous, but the first flow soon passed off; it appears from a report addressed to the Minister of Agriculture and published on the 29th May 1915 that the first attempts made on the outbreak of war to find agricultural work for the unemployed and for refugees did not meet with any considerable success.

The most important step for the purpose of obtaining agricultural labor was that taken by the civil office of the then Governor of Paris, General Galliéni. At its instance a labor exchange committee was formed, which became the nucleus of the Agricultural Labor Office set up on the initiative and under the presidency of M. Méline and under the joint patronage of the Minister of Agriculture and the great agricultural societies.<sup>1</sup> This office was opened on the 15th March 1915, with a subsidy of 12,000 francs from the Ministry of Agriculture and a few contributions from agricultural societies. But if its means were small, it had at its disposal the archives of the National Society that had been organized some years before for the purpose of finding places for agricultural laborers. Its efforts at once met with some success: in two and a half months it received some 9000 offers of work and some 4500 offers of employment, and it secured the appointment of local committees in a number of departments. By the end of the year, in nine and a half months, it dealt with over 15,000 applications for employment and found places for over 13,000 applicants.

If these figures appear small, it is because it is not easy today to realize the difficulty at that time of setting up any efficient organization; the constantly shifting problems of the moment had to be solved by hasty improvisations without previous study, without general policy, and without foresight. So much so that it is difficult now to explain clearly how things occurred. The inevitable orderliness of any account of events is apt to conceal the simultaneous,

<sup>1</sup> J. H. Ricard, *La vie paysanne d'août 1914 à octobre 1915*. (*Revue politique et parlementaire*, 10th December 1915.)

incoherent, and provisional character of measures adopted in haste, only to be cancelled after trial. This should be borne in mind in reading the present account of the administrative arrangements for allocating unemployed and refugees and for assisting agriculture by means of military labor and of prisoners of war.

A first administrative difficulty arose when the Ministry of Labor by a circular of the 29th December 1915 called upon the prefects to set up, where required, local Labor Exchanges and to make use for the purpose not only of the labor inspectors but of the Directors of Agricultural Services. The latter were subordinates of the Minister of Agriculture, who was simultaneously instructing them to set up local employment offices for agricultural labor. Hence there resulted keen and prolonged competition between the two Ministries.

Meanwhile the Agricultural Labor Office, though without legal status, was rendering valuable services. It had set up during the first half of 1915 immigration bureaus at a number of places for Spanish and Italian workmen. It was officially recognized in January 1916 and continued to found immigration and recruiting centers until it was attached for the period of the war to the Department of Agricultural Labor, which was organized in the Ministry of Agriculture in January 1917.

This Department was intended to centralize all questions relating to agricultural labor, 'to examine such general measures as it might be expedient to suggest to the military authorities with a view to the employment of soldiers on agricultural work, whether by means of furloughs, temporary exemptions, or military labor parties; to allocate gangs of prisoners of war or colonial laborers; and to see to the employment on agricultural work of refugees, unemployed, foreign workmen and interned civilians.' Commissions constituted in each department were to forward to it all applications for labor, and to supervise through cantonal inspectors the distribution and employment of the labor supplied.

During this time, the local economic committees and subcommittees set up by the Ministry of War continued to concern themselves with general questions relating to agricultural labor, and that Ministry also organized a general control of agricultural labor, with

officers as controllers in each department, to see that any agricultural labor supplied by the State was utilized to the utmost.

The efforts made to employ on farm work the urban unemployed and the refugees met, especially at first, with some very natural practical difficulties. Factory hands could not be converted into farm hands from one day to the next. As for the agricultural refugees from Belgium and northern France, these unhappy folk, depressed by their sufferings, bereavements, and privations, could not readily adapt themselves to new conditions. Moreover the wages offered them were frequently extremely low, either because their labor was expected to be of little value or because the daily allowance granted them by the Government was made a pretext for reducing their pay. The number for whom the Agricultural Labor Office found places during the first ten months of 1916 was only 4726. Already, during the first half of that year, the Office had been endeavoring (unsuccessfully) to bring over to France Belgian workmen who had taken refuge in England; and also refugees from the Balkans, but these betook themselves rather to the Munition Factories.

It became necessary to look to the Colonies and to foreign countries for a supply of labor. Application had been made in June 1915 to the Governor of Algeria for agricultural workmen, and a batch of 821 Kabyles had been sent to the department of Eure-et-Loir, and another of 216 Algerians to Orleans. They were to be paid 5 francs a day, or to receive their food and 3 frs. 50; and cost of transport one way was to be borne by the employer. But these workmen had not been well selected, and the experiment was not considered encouraging.

The only effective course was to restore and develop the migratory currents that used to bring into France before the war an indispensable supply of supplementary labor. Unfortunately several of these currents had been stopped by the war or by its indirect consequences. The seasonal migration of Belgian workmen, on which before the war the North of France was dependent for root cultivation, was now blocked by an impassable line of trenches. Similarly the importation of Polish workmen, which in an experimental form had previously proved satisfactory, had now become utterly impossible. Switzerland used to send only a small contingent of

agricultural laborers; even this was no longer available as, in view of possible mobilization, Swiss workmen were forbidden to leave their country—where moreover the departure of Italian workmen had left places to be filled. Italy's entry into the war had deprived the Provençal region of part of its labor. So that there remained only Spain and Portugal.

From April 1915 onwards, the Labor Office and the agricultural societies of the southwest exerted themselves to secure the return to France of Spanish workmen; formalities involving them in expenditure were dispensed with, passports were replaced by a simple identity card handed to the workmen on arrival at the immigration bureau, and they were conveyed by rail at reduced fares. Thanks to these efforts the following admissions, for the agricultural service alone, were recorded in the course of the war:

	<i>Spaniards and Portuguese</i>	<i>Italians</i>
1915	14,461	...
1916	48,586	343
1917	47,310	408
1918	36,089	1,474
	<hr/> 146,446	<hr/> 2,225

The imported workmen were naturally free to return to their own country after a few weeks and months. As an exact record of such departures could not be kept, the net amount of assistance that French agriculture derived from the foreign labor thus laboriously recruited cannot be accurately estimated.

A great reduction of the area cultivated would have evidently taken place if the authorities had not made up their minds to withdraw temporarily from the army a certain number of non-combatant agriculturists. The idea was one to which the military mind did not readily adapt itself. Nevertheless, a first experiment had been tried as early as October 1914. The depots were filled at that date with territorial soldiers of the older classes for whom equipment was wanting and who were reduced to what appeared a scandalous inactivity. A circular of the 24th October 1914 authorized the grant of a fortnight's furlough to allow men in these territorial depots to go



home for the sowing. The value of this helpful measure was, however, diminished by the reluctance of many commandants of depots to put into force a circular that took them by surprise, as they had never looked upon furloughs in any other light than that of individual concessions granted as rewards to deserving soldiers. Moreover many territorials had already left for the front, and some of them had even been incorporated in regiments of the line or of the reserve.

In the spring of 1915 the need of assuring the forage supply of the Army again brought up the question, and led to the issue on the 3rd May of a circular authorizing the grant of fortnightly furloughs to men of the agricultural professions belonging to the territorials or territorial reserve. Shortly afterwards the Minister of War found it necessary again to press the matter upon Generals Commanding and to endeavor to make them understand that these furloughs were to be considered 'as a normal method of supplying the country districts with the labor indispensable for the performance of urgent and necessary work.' A further circular of the 5th June 1915 extended the authorization to agriculturists in various other categories of auxiliary troops. Men granted such furloughs were warned that it was their duty to work not only on their own lands but on those of men at the front who could not be granted leave. Other circulars in 1915 and 1916 reminded commandants of depots that the army must 'furnish to agriculture in every way the maximum assistance compatible with the state of war,' and explained the urgency of agricultural work among the many calls for labor.

Commandants of depots must still have been reluctant to grant agricultural furloughs, for on the 2nd April 1916 we find the Minister addressing Inspectors General on the subject: 'The circumstances of the war make it necessary from time to time to reduce the number of men on furlough; but the scarcity of agricultural labor due to this cause must at least not be aggravated by the disregard or misconception of the country's economic needs.' Finally, to overcome this obstinate resistance, a circular of the 8th January 1917 gave to all agriculturists, of the class of 1892 or earlier year, the actual right to an annual furlough of twenty days, the word agriculturists to include owner-farmers, tenant farmers, *métayers*, farm



servants, and laborers; while another circular of 17th January directed that furloughs, limited only by the exigencies of the service, were to be given to agriculturists of all classes serving in the interior and not employed by the Ministry of Munitions. The text of the circulars betrays the anxiety that the diminution of the crops was causing to the Government, and it is easy to see that these twenty-day furloughs, extended and multiplied as they were in 1917, were far from compensating the formidable loss of farm labor caused by the calling up of new classes and the enlistment of men previously graded as unfit. Furloughs granted in rotation, at times that were not always appropriate, were at best but a palliative, and can have been but of little benefit except on small farms. The army's coöperation, however, took other forms.

When the military authorities were asked to assist in agricultural work, the organization they first devised was that of squads of soldiers working under non-commissioned officers. These resembled fatigue-parties and allowed the command to retain control over the men, but, as might have been foreseen, the system was of too military a character to give satisfactory results. In March 1915 a certain number of companies of agricultural workers were formed by order of the Minister of War to supplement civilian labor in the zone occupied by the army, where the conditions may better have justified their employment; it was not found possible to raise their number beyond 6000 men.

Authority was even given to military commanders of all ranks in the interior zone to place, on their own initiative, 'flying squads' at the service of the neighboring farmers to 'lend a hand' for a day or half a day. It appears that this authorization was frequently ignored, for we find General Galliéni renewing it in his circular of December 1915 with the observation that 'officers should apply common sense to the defense of the country's interest, instead of invoking the regulations to combat it.' The Minister also pointed out the advantage, where a lengthy spell of work was involved, of allowing men to work at home or at least in their own parish; and he directed Inspector's General to see that agricultural furloughs were not refused in order to employ men in squads.

The indifferent results of the squad system are accounted for by

the fact that the members of the squads were often employed far from their own homes, under conditions of labor unfamiliar to them, and without the stimulus of personal interest. Farmers who had, not without difficulty, obtained a squad were frequently disappointed to find that there was no guarantee as to the period for which it would remain at their disposal, and that the men composing it might be suddenly withdrawn for military service or to be sent to factories. In 1917 the system of individual furloughs was generalized, together with that of temporary exemptions.

The latter had at first been granted, in the interest of various industries other than agriculture, to certain indispensable classes of workmen. It is true that as early as September 1914 temporary exemptions were granted to specialists in sugar factories and distilleries, and these may be classed among agricultural industries; but none were granted to real agriculturists, who were regarded rather as laborers than as skilled workmen. It was the necessity of sending back to the villages shoeing-smiths, blacksmiths, and mechanics to repair threshing machines, that brought about the adoption of temporary exemptions in favor of agricultural production. The circulars of July and August 1915 limited these exemptions to Territorials, Territorial Reservists, and men of the Auxiliary Service in the interior zone, and to the period of autumn ploughing and sowing.

Temporary exemptions were extended in the summer of 1916 to all cultivators (other than horticulturists, viticulturists, tobacco-planters, etc.) and to men employed in trades connected with agriculture (such as blacksmiths), belonging to certain auxiliary formations, for the period of the hay-harvest and grain-harvest. But it must not be supposed that this measure produced any considerable labor supply, for the sources from which it might be drawn were extremely restricted. Peasants are not often drafted to the auxiliary service, and those who had been attached to it for less than three months were subjected to a fresh medical examination as to their fitness for more active service.

The nature of these temporary exemptions was defined by ministerial circular; they were to be considered, not as leave, but as a temporary change of employment, during which the exempted man must give his whole day to the labor of the fields, if not on his own

land then on that of the community; and local committees and the gendarmerie were given the duty of supervision.

Little by little the classes eligible for exemption were extended, and fathers of five children or widowers with four children were included therein; but whereas workmen had been allowed to return in large numbers to munition factories as early as 1915, it was only in the middle of 1917 that, as a result of the calling up of younger classes, agriculturists of 46 to 49 years of age could be released, some of whom had been for three years at the front or in the army zone. These exempted men were certainly not numerous enough to fill the gaps caused by the departure of the young lads.

The range of the temporary exemptions continued to be extended from time to time until the armistice; three days after its signature, the classes of 1887, 1888, and 1889 were released, that of 1890 by the 10th December, that of 1891 by the 20th December 1918. During the following months agriculture saw the gradual return of her workers, and was in a position to reckon up her casualties.

No reliable official figures of the number of temporary exemptions have been published. It has been stated in a report to the Chamber of Deputies that 180,000 agriculturists were exempted during 1917; the figure needs verification but does not appear an improbable one. If it be compared with the 783,400 young men called up in the classes of 1917, 1918, and 1919 (of whom some two-fifths would probably be taken from the land), it will be seen that it meant approximately one old man sent back for two young men called up.

Agriculture also benefited by the labor of a certain number of squads of prisoners of war. It does not appear that their assistance was of much practical importance, for prisoners were chiefly engaged on manufacturing work, although their first employment, in 1915, seems to have been on a branch of agriculture, *viz.*, forestry. The labor commission of each department had at its disposal a company of prisoners, divided into squads, each composed in theory of at least twenty men, and these squads were allotted to agricultural associations; it was through these associations alone that the squads could be placed at the service of private individuals. Subsequently permission was given to break them up into groups of at least five prisoners. The conditions laid down by the Govern-



ment for their employment were so exacting in respect of housing and hygiene that the desire of the prisoners to be included in agricultural squads is easily understood. The wages to be paid by their employers to the State comprised a fixed portion representing the cost of their subsistence; this was fixed at 1 fr. 47 (1 fr. 94 after the 16th October 1917) where the employer did not supply either food, housing, light, or heating. The variable portion of the salary was designed to bring the remuneration up to the level of the normal wages paid to civilians employed on the same work, having regard to the comparative efficiency of the two classes of labor. Further, the employer was required to pay in respect of each prisoner a daily sum of 20 centimes as pocket-money, which might in exceptional cases be raised to 80 centimes, or withheld as a disciplinary measure. The French and German Governments entered into an agreement by which the rules as to hours of labor and the weekly day of rest were to be those prevailing in the region in which the prisoners were employed.

It appears that by November 1917 not more than 40,000 prisoners of war had been assigned to agricultural work, and that by January 1919, when they were transferred to the liberated regions, their number had reached 58,893. The value of their work has been variously estimated and seems to have depended on the size of the squads and the efficiency with which they were directed. In any case, having regard to the relatively small number employed, we must not estimate very highly the practical value of their contribution to the tillage of the soil.

There is even less reason to attach any weight to the assistance derived from school labor. Plans were made in 1916 and 1917 to get boys and girls to help on neighboring farms during their holidays; but these should be considered mainly as attempts to interest young people in the country's economic difficulties and to avoid the rejection of willing offers of service. It was stated in 1917 that some 3000 acres had been cultivated in 12,000 communes by 90,000 girls and 125,000 boys.

The efforts made to train disabled soldiers were much more interesting and useful. An apparatus invented by M. Jullien, of the Charité Hospital at Lyons, enabled men who had lost an arm to use various agricultural implements, such as spades, pitchforks, and

rakes, and even to plough and mow; 23 training centers were founded by the Ministry of Agriculture as early as 1916. The importance of the matter may be inferred from a report to the Academy of Agriculture by Surgeon-Major Chatin of the Artificial Limb Institution at Lyons. He stated in this report that 60 to 70 per cent of disabled soldiers were agriculturists and that in eighteen months about a thousand disabled agriculturists had returned to work from the Lyons center alone. Even the blind can resume certain classes of agricultural work. But it must no doubt be recognized that the working efficiency of these wounded men when restored to their professions is very materially impaired.

### *The Rise in Wages.*

The immediate reduction in the number of agricultural laborers which was a consequence of mobilization should have provoked a sharp rise of wages. But this did not occur. There prevailed, on the outbreak of war, a feeling of solidarity, a desire to help the country that dispelled any idea of demanding an increase of remuneration. Moreover it was, in general, the weaker laborers who remained, and such a demand on their part would not have been justified; further, there had been, in the country districts, no rise in the price of food. But in 1916, the reduced output, the effects of the submarine campaign, and the difficulty of land transport, had combined to raise the cost of foodstuffs in the towns; the higher wages which had had to be accorded to workmen in the munition factories increased the competition for foodstuffs, and resulted in a progressive rise in the price of agricultural produce which was bound to lead little by little to a rise in rural wages.

It is extremely difficult to obtain full data in regard to agricultural remuneration. There are frequently marked differences in rates within the same department, so that the information afforded by the average rates of the several departments is not of a precise character. Agricultural remuneration, more often than not, includes allowances in kind, lodging, and even food; sometimes it is a daily wage, at other times a monthly or annual wage; winter and summer rates are not the same. Unless therefore one knows the system on which the annual averages are calculated, statistics are practically



valueless. Nor are there means of checking their accuracy. The official data quoted below should be read subject to these observations.

An investigation of agricultural wages had been carried out in 1912 by the Director of Agricultural Services of each department; when a rise in these wages was observed in 1916, the same officials were directed to repeat their investigation. The result was to show that the average daily wage for the whole of France, based on the average of the various regions, had risen from 3 frs. 43 in 1914 to 5 frs. 15, or, as regards the laborer receiving food from the employer, from 2 frs. 23 to 3 frs. 52, the former figures showing an increase of 50 per cent and the latter of 57 per cent.

An examination of the figures for each department reveals very wide variations in the percentage of increase. For workmen not receiving their food the increase was only 12 per cent in the Eure and 20 per cent in the Marne, whereas their wages had doubled in the Deux-Sèvres, the Allier, and the Isère. For workmen fed by their employers the increase varied from 15 per cent in the Marne to 100 and even 110 per cent in the Isère and Deux-Sèvres. These differences are difficult to explain; the increases appear to be largest where salaries before the war were lowest, and also where the reduction of the available labor supply was most acute.

To appreciate more exactly the rise in wages, we must remember that it was accompanied by a reduction in the output of work, due to the inferior quality of the labor supply, a reduction estimated in 1916 by the Directors of Agricultural Services at an average of 30 per cent for the whole of France, though it reached 50 or even 60 per cent for certain departments.

As a consequence of the extension in July 1914 of accident insurance legislation to workmen employed in forestry, prefects were required to determine periodically the average rates of agricultural wages, to serve as the basis for the calculation of any indemnities payable. A comparison of the rates thus established for 1915 and for 1918 or 1919 shows a greater increase than had been revealed by the inquiry of 1916. The increase became especially marked immediately after the armistice, at which time it exceeded 100 per cent in nearly all localities.

A regulation of December 1917 directed that the older mobilized men who had been released from the ranks to undertake agricultural

work must be remunerated at the rates current in the locality. Prefects were accordingly instructed to establish, after consulting the Agricultural Labor Commission of their Departments, the maximum and minimum rates so payable. It had been necessary to issue this regulation because it had come to notice that in certain communes employers were paying these men inadequate wages, while in other places the latter had combined to refuse to work except for wages that were notoriously excessive. The rates fixed in consequence of the regulation throw an interesting light on agricultural wages in 1918. We again find a great divergence as between different regions, but as maximum and minimum rates are given, those normally paid are not precisely ascertainable. The wage for a ten-hour day of a workman housed and fed by his employer varies in the prefects' *arrêtés* from 2 frs. 50 to 5 frs. The value of his food is from 3 frs. to 5 frs., so that we have a total average wage of 7 to 8 frs., rising to 10 frs. in some localities. This is just about double the pre-war wage.

The increase in the rate of payment required from persons employing prisoners of war is also worth noting. It will be remembered that in addition to a fixed portion for the prisoner's subsistence, the payment comprised a variable amount intended to be the equivalent of the civilian rate of wages. A circular of April 1918 concerning this latter part pointed out that departmental Commissions had hitherto fixed it at unduly low rates, which tended to lower the scale of remuneration of civil labor and to give an unfair advantage to such few employers as were in a position to obtain the services of prisoners of war. The circular accordingly fixed a scale for the several departments. The rates therein vary from 1 fr. to 2 frs. 10 per day in winter, and from 1 fr. to 3 frs. 5 in summer. In October 1918 the fixed allowance for subsistence exclusive of food, during the winter, was raised to a minimum of 2 frs., except in a few departments where the minimum was to be 1 fr. 50.

#### *The Mobilization of Tenant-farmers and Métayers.*

Difficulties, which had to be forestalled by legislation, were likely to arise out of the mobilization of tenant-farmers, whether these paid a money rent or a share of the farm produce. Leases and *métayers'* contracts habitually terminate at Michaelmas (29th Sep-

tember) or Martinmas (11th November). By a decree of the 19th September 1914 all leases terminating before the 1st January 1915 were extended of right for a year where the tenant had been mobilized. To obtain the benefit of this extension the farmer, or in his default a member of the family taking part in working the farm, was only required to make application to the landowner by registered letter, or even to lodge a declaration at the office of the Justice of the Peace. Corresponding provision was made for the postponement of leases due to commence at a date prior to the 1st January 1915.

As these moratoria might injure non-mobilized men who had intended to take over farms that mobilized farmers were due to quit, the former were given the right in such circumstances to remain on the farms where they were. In fact, as the changes in the tenancies of farms, which usually take place in autumn on the termination of leases, were impracticable where the tenant had joined the ranks, the whole movement was completely stopped.

The provisions above described were extended from time to time, the last extension applying to leases commencing or terminating between 1st January and 31st March 1919. A law of March 1918 provided for the cancellation without indemnity of leases of farms let for a money rent where the tenant had been killed on the field of battle or had died as the result of wounds or of disease contracted on military service.

### *The Migration from Country Districts during the War.*

Notwithstanding the scarcity of agricultural labor and the rise of wages, agriculture suffered during the war from the normal competition of other industries on the labor market. We have observed that there occurred at the outset a certain flow of the unemployed back to the country districts. But this did not last long. The preamble of the law on the cultivation of abandoned areas records, early in 1916, 'the beginning of an exodus from the country, not for the moment of a serious character, but calling for attention and suitable remedial measures.' The preamble remarks that this exodus had been encouraged, in districts where *métayage* prevailed, by the high price of cattle, the *métayer* or his wife finding it advantageous to sell off the stock and abandon the farm, thereafter living in idle-

ness on unemployment pay or the allowance granted to soldiers' families. But instances of such conduct must have been exceptional and the remark must not be considered as of general application.

An incentive to leave the rural districts that appealed more effectively to some few of the peasants and to a considerable number of peasant women was the call of the factories, where moreover certain of the latter were enabled to rejoin their mobilized husbands. The attractions offered to girls and young women from the country by the conditions of service in these factories—comparatively short hours of work, good pay, food and lodging at low rates, crèches and schools for children, and so forth—may be gathered from the published advertisements. No doubt the necessities of national defense justified a procedure that it is now easy to criticize. But it must be pointed out that in endeavoring by these inducements to recruit peasant women accustomed to the land, instead of looking for labor among the unemployed of the towns or in the Colonies, the directors of war industries were sacrificing the future interests of their country and hampering for many years to come the revival of agriculture.

There are no data available as to the extent of the rural exodus. The complaints of farmers on the subject were fairly general, but the many difficulties under which they labored no doubt may have led them to exaggerate this grievance. It was not so much the actual extent of the migration to the factories as its moral effect, the discouraging influence exercised on those who were endeavoring to hold on, that intensified to an appreciable degree the troubles of agriculture.



## CHAPTER III

### THE INVADED AND DEVASTATED AREAS

THE areas of agricultural and non-agricultural land occupied by the enemy at various periods of the war have been independently estimated, with somewhat different results, by the Ministry of Agriculture, which continued to publish its annual return of crop distribution, probably drawn up on no very rigorous method, and by the Ministry of the Liberated Regions. Yet another estimate was laid before the Reparations Commission; it had been prepared by specialists and the method of calculation was indicated. Its figures approach those adopted by the Ministry of Liberated Regions and will be made use of here as being the most reliable.

The first flood of invasion in 1914 reached twelve departments. After the retreat following the victory of the Marne, only ten departments remained affected, of which one alone, the department of the Ardennes, was completely occupied, and nine partially, the Nord, Pas-de-Calais, Somme, Oise, Aisne, Marne, Meuse, Meurthe-et-Moselle, and Vosges. The battles of 1914 had also overrun the northeastern corner of the department of Seine-et-Marne and had just touched that of the Aube.

The greatest area at any time covered by the invasion slightly exceeded 10,500,000 acres. The zone that suffered prolonged occupation comprised 8,239,000 acres, of which 1,570,000 were woods and forests, and 400,000 non-agricultural land, leaving a balance of 6,269,000 acres of cultivated land occupied until 1918. The area thus lost to cultivation, including woods and forests, represented 6.31 per cent of the whole agricultural territory as it stood in 1913. But this figure gives an inadequate idea of the distress and hardship involved. As already stated, among the ten departments of the North and East that suffered from occupation by the enemy were some of the most productive in France. These departments, 53.7 per cent of whose agricultural land was invaded, had produced in 1913 20.4 per cent of the total crop of wheat, 25.52 per cent of that of oats, 11.65 per cent of the potato crop, 49.48 per cent of the sugar-beet, and 68.84 per cent of the beet for distillation.



The extent to which production was reduced by the invasion may be seen from the following figures of the principal crops grown in the portion of the invaded departments that was not occupied by the enemy; they are taken from the annual returns of the Ministry of Agriculture, and a comparison with the figures adopted by the Reparations Commission, based on inquiries carried out under more favorable conditions, suggests that they perhaps somewhat overstate the crops:

*Total of principal crops in uninvaded portion of invaded departments, in thousands of tons.*

	1913	1914	1915	1916	1917	1918
Wheat	1,744	875	766	622	437	621
Oats	1,281	909	680	740	520	371
Potatoes	1,560	1,025	940	656	936	600
Sugar-beet	2,894	2,483	442	823	955	545
Beet for distillation	1,389	795	227	367	326	157

It is thus by hundreds of thousands of tons that we must reckon the loss under this head to the country's annual food supply.

The losses of live stock are given in the following figures, based on returns made on the 31st December 1913 and 31st December 1918:

	1913	1918	Diminution
Horses	607,330	263,920	343,410
Mules	5,670	2,840	2,830
Asses	16,310	6,510	9,800
Oxen	1,581,020	638,260	942,760
Sheep	1,599,470	314,040	1,285,430
Pigs	713,690	250,600	463,090
Goats	84,570	31,410	53,160

Finally, we must take into account the loss of the crops of 1914 and of stocks in hand, the destruction of rural dwelling-houses and farm-buildings and of factories for the conversion of farm produce, of agricultural implements, of roads, canals, and railways, and the inevitable damage caused by the prolonged presence of friendly troops. We cannot estimate what they amounted to during the course of the war, though we have seen their effect in the progressive reduction of agricultural produce; we shall get a more exact

idea of them when we sum up the data collected on the morrow of the armistice and laid before the Reparations Commission.

When the unfortunate peasants of the invaded regions returned to their lands, they found a desert with scarcely a trace of agricultural civilization, in many places a chaos which daunted every human energy, or at least a soil restored to a state of nature in which the work of generations had been completely wiped out. Some villages had disappeared; others were half destroyed and provided only dugouts for shelter. The ground had been scored by trenches, concreted for gun emplacements, pounded and overturned by bombardments; it required first to be leveled and cleared of unexploded shells and barbed wire, and then to be restored to a condition of productivity; parts of the land, which had been cultivated by the Germans without manure or systematic rotation, were exhausted; other parts, which had been neglected, were overgrown with weeds and brambles. In some places the subsoil had been brought to the surface so that mere leveling was useless and a layer of arable soil had to be brought from the neighborhood. The magnitude of the task was overwhelming.

Proposals were made, based on a mere calculation of what would pay best, to convert the whole zone into an immense forest. But those who made them reckoned neither with the owner's love of the soil he had tilled, nor with his indomitable energy. Without more ado the peasant set to work.

Immediately after the armistice, a map was prepared on the spot by the rural engineering service, in which the land was divided into three zones according to the extent of the damage it had suffered: a red zone for the areas that had been profoundly convulsed, a yellow zone for those which had suffered severely, and a blue zone where the damage had been relatively light. The 'Provisional estimate' laid before the Reparations Commission furnishes the following figures (forests are excluded):

	<i>Acres to be restored</i>
Red zone	302,822
Yellow zone	3,204,331
Blue zone	2,623,016
	<hr/>
Total area to be restored	6,130,169 <sup>1</sup>

According to the same estimate, there were, in the 'Red Zone' some 138,068 acres to be expropriated as being definitely useless. Eventually this area was considerably reduced, the owners having succeeded, by their stubborn toil, in overcoming all difficulties. By the 1st May 1922, 67,925 acres of this area had been restored.

To give a further idea of the extent of the work to be undertaken it may be noted that at the time of the armistice there were 333 million cubic meters of trenches to be filled up and 374 million square meters of barbed wire entanglements to be removed. Nine-tenths of the task had been completed in December 1920 with the help of prisoners of war and foreign labor. The cost of this restoration, including the remaking of roads, drains, etc., was estimated at over 992 million francs.

But the land thus repaired was not restored to the condition of agricultural soil, fit for seeding. Even the most economical method of preparing the land, that of the cultivated fallow, entails a heavy expenditure of labor without corresponding return. The land impoverished by the German method of cropping needed an exceptional amount of manure. Many vineyards and orchards required replanting; many splendid orchards in the Somme, the Oise, and the Aisne had been intentionally destroyed by the enemy. The damage done was estimated as follows, on the basis of the cost of restoring the land:

	<i>Francs</i>
Restoration of the soil to productivity	389,042,000
Value of trees and plants destroyed	315,334,000
Cost of replanting	58,962,000
Extra manuring	225,313,000

or in all 988,651,000 francs calculated on pre-war prices, and

<sup>1</sup> It will be seen that this total, supplemented by the portion to be expropriated, corresponds with the area of cultivated land which suffered prolonged occupation, as given on page 55.

3,008,600,000 francs calculated on the prices prevailing after the war.

Certain areas, as we have seen, owing to the fact that the calcareous subsoil had been brought to the surface, were definitely lost to cultivation; others, where the soil and subsoil had been mixed and an uneven surface made tillage difficult, had had their productivity reduced. The loss in net yield was estimated at 610,468,000 francs (pre-war value) and at 1,831,406,000 francs (post-war value).

The damage to forests was estimated at 764,192,000 francs (pre-war value) and 1,621,308,000 francs (post-war value).

Damages due to the loss of live stock, on the basis of the return of December 1913 and after allowance had been made for losses not directly chargeable to the enemy, were assessed at 1,005,022,000 francs on the basis of 1914 prices, and at 3,512,022,000 francs on the basis of the cost of replacement. The numbers of animals lost on which these sums are calculated are certainly below the mark, and should at least be increased in respect of the yield of stock since 1st January 1914.

The damage to agricultural implements was either made the subject of investigation or, in the zone long occupied, was estimated at rates fixed according to the size of the holding. The losses under this head were calculated at 920,188,000 francs on the basis of pre-war values, a figure which must be multiplied by five to give the cost of replacement.

We must add the value of the stocks of grain, straw, fertilizers, etc., lost as a result of the enemy advances in the autumn of 1914 and the spring of 1918, that of the crops of 1914 and 1918 destroyed or captured at those times, and the portion of the crops of the years 1915-1918 which accrued to the enemy in the occupied territory. The value of these has been estimated, on the basis of 1914 prices, at 3,612,117,000 francs; multiplying only by four the price of that portion of produce which had to be acquired to provide seed for the resumption of cultivation after the armistice, we get a total claim under this head of 5,852,138,000 francs.

The destruction of game and fish, the cost of re-stocking, and the restoration of fishponds, have been assessed at 41,800,000 francs (pre-war value) and 68,200,000 francs (cost of replacement).



Recapitulating these items, we get the following figures, as representing the losses of agriculture (apart from buildings):

	<i>(In thousands of francs)</i>	
	<i>1914 value</i>	<i>Replacement value</i>
Clearing and leveling of the land	992,700	1,176,926
Restoration of the soil to productivity	988,650	3,008,600
Loss of fertility	610,468	1,831,406
Live stock	1,005,057	3,512,022
Implements	920,188	4,600,942
Seeds and crops	3,612,117	5,852,138
<hr/>		
Agriculture	8,129,183	19,982,037
Forests	764,192	1,621,308
Game and fish	41,800	68,200
<hr/>		
Totals	8,935,175	21,671,546

The estimate of the damage done to rural dwelling houses was based on a return of houses actually found to have been destroyed in each commune and on a list of the values of the houses existing in 1909 and 1910 drawn up at that time by the Administration of Direct Taxes. As regards farm buildings the only official return of their value dated from 1888 and 1889. The estimates here are therefore liable to be inaccurate; moreover it is difficult, for the special purpose which concerns us, to distinguish what are properly agricultural losses. We may merely note, as throwing some light on the subject, that in towns of less than 10,000 inhabitants and in rural villages and communes 387,836 houses in all were found destroyed and the total value of the damage done was estimated at 3,650,000,000 francs. The damage to farm buildings was estimated at 1,033,400,000 francs on the basis of their value in 1914, a figure that would have to be multiplied by five to give the cost of reconstruction; that is to say, allowing for expenses of protection and clearing, a sum of nearly 5½ billions of francs.

The value of the furniture in the houses should be added, but data are not available to enable us to distinguish that which is properly included in the category of agricultural belongings.

As the ruin of the industries that convert agricultural produce reacted on agriculture itself, it may be stated, to give an idea of the extent of the losses, that declarations were received regarding



the destruction of 169 sugar factories, 156 distilleries, 1784 breweries, 523 flour mills, 138 oil factories, and 1294 other factories. Works of this class were especially numerous in the departments of the Nord, the Pas-de-Calais, the Somme, the Oise, and the Aisne. The cultivation of beet for sugar and for distillation could naturally be resumed only in so far as the sugar factories and distilleries were reconstructed.

The above estimates of the direct loss caused to agriculture have, as is known, been criticized by economists of high authority. Mr. J. M. Keynes in his book on *The Economic Consequences of the Peace*, states (p. 116) that 'not above 10 per cent of the area of France was effectively occupied by the enemy and not above 4 per cent lay within the area of substantial devastation.' As to the first percentage we agree; in fact the figures we have adopted show the invaded area as scarcely exceeding 8 per cent of the total territory. But the second percentage is too low unless 'the area of substantial devastation' is taken in an exceedingly narrow sense. If it is understood as applying to the zone that was for a long period occupied by the enemy, where prolonged neglect of the land in itself amounted to devastation—and that is the sense in which we understand it—it represents 6 per cent of French territory.

Mr. Keynes continues (p. 117): 'Estimates of the value of the land of France (apart from buildings) vary from £2480 million [62 billions of francs] to £3116 million [79 billions of francs], so that it would be extravagant to put the damage under this head as high as £100 million [2500 millions of gold francs].' The figure of 62.8 billions of francs is that which results from the fiscal inquiry of 1912 and can be accepted, though it may be observed that such inquiries, intended to serve as a basis for taxation, are apt to lead to some underestimates of values. If we apply to it Mr. Keynes' percentage of 4 per cent and that of 6 per cent, we get as the value of the invaded territory in the one case 2512 millions, in the other 3768 millions. But these sums are certainly too low, for they leave out of account the fact that the most fertile, best equipped, best cultivated, and most productive lands of France were included in the departments that were invaded. The above figures should be doubled to give a reasonable estimate.

It may no doubt seem absurd to Mr. Keynes to suppose that the

damage caused to the land could amount to the total value of the land itself, seeing that portions of it admittedly suffered only lightly. But the fallacy here lies in imagining that the pre-war market price of the land bears any relation to the cost of restoring it to productivity. The expenses originally incurred in leveling, cleaning, and preparing the land had long since been amortized at the expense of the former owners; the price that purchasers had to pay did not represent the capital that had been sunk in the soil but was determined solely by the return to be got from it. There is therefore nothing illogical in admitting that in certain areas the cost of restoring agricultural land to a productive state exceeded its former market price, and in estimating at 3356 millions<sup>2</sup> (1914 value) the total expense involved in this process, in the restoration of the forests, and in the compensation of an inevitable future reduction of fertility.

Mr. Keynes says further (p. 117): 'Farm capital for the whole of France has not been put by any responsible authorities above £420 million [10.5 billions of francs].' On the contrary we have seen that, in attempting to frame the balance sheet of the agricultural industry, the annual statistics had accepted an estimate of 11.5 billions,<sup>3</sup> which if anything was too low. It may be, however, that as regards this item there has been a slight overestimate of the losses suffered. It must be remembered, at the same time, that it was natural to claim from Germany the cost of new material to replace that previously in use which had been destroyed.

Finally, it should be added that the way in which the Germans conducted the war certainly aggravated the direct losses suffered by agriculture. The cutting down of the splendid orchards of the Somme, and the systematic destruction of agricultural machinery, are instances in point. Similarly the requisitions of draft horses of the Ardennes breed appear to have been designed with a view to its extinction, in the interests of German horse-breeders.

Even if entire reparation is found to exceed the capacity of the enemy, we must begin by measuring as accurately as possible the extent of the damage suffered.

<sup>2</sup> Items 1, 2, 3 and 7 of the table on page 60.

<sup>3</sup> Items 3, 4, 5 and 6 of the table of capital invested, on page 21.

## CHAPTER IV

### THE TECHNICAL DIFFICULTIES OF PRODUCTION

THE diminished supply of male labor, being the chief difficulty with which agriculture had to contend during the war, has been dealt with in a special chapter; such workers as remained, feeble but willing, were faced with other technical problems of an increasingly perplexing character.

There were, to begin with, at the very outset of mobilization, the requisitions of draught animals, and of conveyances and motors. So far as horses were concerned, and also conveyances, there was nothing unexpected in this, seeing that they were the object of an annual census, in view of their employment for war purposes. But the selection of cattle for slaughter did not spare draught-oxen, nor the cows employed in many districts to draw wagon and plough; the requisitions were conducted, especially at first, with that disregard of civil needs which is characteristic of the proceedings of military authorities, and they entailed disastrous consequences for agriculture, depriving it of its teams just when hands were failing.

It is impossible to say what number of draught animals were requisitioned at the outset. There is ground for thinking that requisitions were more extensive than was necessary, and it appears not only from the complaints of the peasantry, but from a document published by the Ministry of Agriculture, obviously intended to present the actions of the Government in a favorable light, that the first levies made in the name of the Commissariat were bungled: 'It must be recognized that the working of the local commissions was in some respects defective, that local interests at times biassed the course of proceedings, and that cows in calf, cows in milk, heifers and draught-oxen were improperly levied.'<sup>1</sup> The same document shows that 735,138 oxen had been requisitioned by 31st December 1914, a figure that appears to be below the truth.

The mobilization of blacksmiths, wheelwrights, and mechanics was, as early as 1915, a further source of serious trouble. The har-

<sup>1</sup> *L'effort agricole de la France pendant six mois de guerre*. Paris, Imprimerie des journaux officiels.

vest work of 1914 had been entrusted to unskilled hands, and the workmen required to carry out repairs to damaged implements were lacking. We have seen that the military authorities had been obliged in July 1915 to grant certain exemptions to mechanics and blacksmiths, but the step was belated and inadequate.

Farmers were moreover prevented, by the loss of these mechanics, from employing motor tractors for harvesting and ploughing at a moment when motor traction ought to have been rapidly developed in order to alleviate the labor crisis. Besides, stocks of petrol for motors soon ran short; coal likewise was wanting for threshing machines, and metal for the repair of implements. From the first days of the war farmers found themselves deprived of everything purchased at a distance, and abruptly thrown back into the old era of domestic economy, in which agriculture had to depend on its own land or neighborhood for everything it needed. The almost complete appropriation of the railways to the requirements of the army made it impossible to keep up agricultural production.

An *arrêté* of the Minister of War of the 2nd August 1914 ran as follows:

- Art. 1. The entire railway service is placed under military authority, and all means of transport on every railway-line are assigned to military needs.
- Art. 2. Commercial transport, whether of passengers or goods, is suspended till further notice.

The needs of the country's defense prevailed over and obliterated all its other needs; but this conception could only endure for an extremely short period, during which the country might subsist on stocks in hand. As early as the autumn of 1914, before the general confidence in a short war had been dissipated, some room, as restricted as possible, had to be made on the railways for civil requirements. Rules for a rudimentary commercial service were drawn up by the Ministry of War, which relieved the lines of all responsibility for delays and for loss or damage unless due to the serious negligence of their agents, such negligence not being attributable to the state of war. It will readily be believed that this service, so restricted in theory, was in practice almost non-existent. Tens of thousands of cars had fallen into the enemy's hands, repairs to the over-driven engines could not be effected for lack of skilled work-



men and of metal, and the bad quality of the coal delayed the trains and increased the difficulty of operating the lines.

There followed a struggle for the cars they needed among the consignors, who used every argument and device to secure transport for goods that increased tenfold in value if conveyed from the factory to the consumer. At the request of those concerned, a roster was set up, so that goods should be despatched in the order in which they were handed in. Not even this illusory hope could be left to the consignors, and Government presently found it necessary to class merchandise in the order in which it was to have preferential right to the available wagon space. The *arrêté* of the 9th February 1917, prepared jointly by the Ministries of War and Public Works, set up three categories of goods according to the urgency of their conveyance. In the first were placed (A) mineral combustibles and substances and products indispensable to the national defense and the working of the mines; (B) grain and flour; (C) cattle, cereals, farinaceous pastes, potatoes, vegetables, seed, butter, eggs, milk, sugar, salt, wood for bakers' ovens; (D) fertilizers, chemicals for vine cultivation, hay, forage and straw, oil-cake, agricultural tractors and spare parts, and returned empties. Agricultural implements were classed only in A of the second category. As it was very difficult in most stations to find cars for goods of Category I (C), it is obvious that farmers could hardly count on getting the tools and stores upon which their work depended.

The cost of carriage by rail was increased only in the last year of the war. The companies had asked as early as 1915 that the tariff should be raised, but this was not done until the 15th April 1918, when rates were raised by 25 per cent. In June of the same year a tax of 10 per cent of the cost of carriage was imposed on all goods sent by rail. This increase was more considerable than it may appear, because, as all the reduced rates in force before the war had been abolished, the additional percentage was calculated on a general tariff higher than had in fact formerly prevailed. But it was not the increase in the cost so much as the deficiency in the means of transport that seriously hampered agriculture, and this more particularly as regards goods to be received than as regards produce to be despatched.

Agriculture suffered likewise from the crisis in sea transport, be-

cause the raw materials of the fertilizers and other chemical substances employed by it reach France for the greater part only by sea. Moreover, the requirements of munition factories reduced to a minimum the amounts available for agriculture, especially as regards phosphates and potassic manures.

The following figures represent the approximate maximum quantities of fertilizers consumed annually before the war :

	<i>Tons</i>
Superphosphates	2,000,000
Basic slag	500,000
Organic manures	200,000
Nitrate of soda	300,000
Sulphate of ammonia	100,000
Nitrate of lime	17,000
Kainit	64,000
Potassium chloride	50,000
Sulphate of potash	15,000

The above consumption of fertilizers, inadequate as it was to the extent of arable land in France, was very much diminished during the war, not only on account of the shipping and railway difficulties, but also because the output of fertilizers was reduced and because the increase in their price rendered their employment scarcely profitable.

The output of superphosphates showed a considerable decrease in consequence of the reduced imports of raw phosphates and also because sulphuric acid, which is employed in their manufacture, was appropriated, to the extent of 80 per cent of the quantity produced, to the needs of national defense. The amount used for agriculture fell from 1,934,000 tons in 1913 to 584,000 in 1915, 464,000 in 1917, and 643,000 in 1918. The raw phosphates obtainable from French strata contributed to meet requirements only to an insignificant extent, by reason of the invasion of the Somme area; moreover their small content of phosphoric acid precluded their use for the manufacture of superphosphates. The metallurgical activity during the war would have rendered possible a plentiful supply of basic slag without marked increase of price, but here the transport difficulty prevented deliveries. The quantities furnished to farmers declined from 533,000 tons in 1913 to 20,000 in 1915, 84,000 in 1916, 70,000 in 1917, and 64,000 in 1918.

Large quantities of nitrate of soda continued to be imported from Chili; the imports even exceeded in 1917 the pre-war maximum, but they were employed in the manufacture of explosives. The output of sulphate of ammonia was reduced by more than half. Crude ammonia, cyanamide, and nitrate of lime were reserved for military purposes. Imports of organic manures were almost *nil*, and the amounts recovered from military slaughterhouses were very small.

Potassic fertilizers, which before the war came from Germany or the factories of Northern France, practically disappeared.

Supplies of sulphur and of sulphate of copper, which are employed against cryptogamic diseases, especially of the vine, suffered less reduction. But, in consequence of the dearth of sulphuric acid, sulphate of copper had to be imported from England, and the entry of Italy into the war entailed a diminution of the import of Sicilian sulphur.

The insufficient supply of fertilizers led to the intervention of Government in their distribution. This belated measure was taken in January 1917 and the method adopted is described below (Chapter VI).

It also led to a rise of prices, which were multiplied four- and sometimes fivefold between 1913-1914 and 1918. Nitrate of soda quoted 23-26 francs in 1913-1914 cost 85-115 francs in 1918; sulphate of ammonia, 28 frs. 75-33 frs. 50 in 1913-1914, reached a price of 135 francs. Superphosphates increased from 5 frs. 30 to 29 frs. 50; basic slag from 4 frs. 45 to 19 frs. 30; sulphate of copper from 55-59 francs to 182-195 francs in 1918 after having reached 220 francs. Sublimated sulphur, which was worth about 17 francs in 1913, cost 125 francs, a sevenfold increase, in 1917. These prices, being ex-factory, do not include cost of transport, which as we have seen was increased by 25 per cent and subjected to a tax of 10 per cent, in 1918.

We are here in presence of the greatest difficulty with which agricultural production was confronted during the war. While efforts were being made, through fixed prices and requisitions, to keep down prices or check their rise, the cost of production went on increasing. We have already observed that agricultural wages rose at least by 50 per cent in 1916, and doubled in 1918, an increase that was in reality appreciably greater, since these wages

were the remuneration of a less efficient type of labor. We have just seen that the cost of fertilizers was multiplied fivefold. Data collected by the central syndicate of French agriculturists, based on the well-established prices of objects currently sold by the syndicate, furnish us with reliable information as to prices of agricultural implements and stores.

It appears from these that between 1913 and 1918 the prices of Belgian ploughs, seed drills, and manure distributors more than doubled, and those of mowers, binders, and horserakes increased about threefold. Binder twine cost in 1917 twice as much, in 1918 four times as much as before the war; lubricating oil was seven times as expensive in 1918 as in 1913. Galvanized wire for training vines increased from 45 frs. 75 to 323 francs the hundredweight, wire netting from 38 frs. 25 the 100 meters to 170 francs.

Foodstuffs for cattle also showed heavy increase, especially oil-cake, which became very difficult to procure; its price was roughly quadrupled; that of yellow maize from the Argentine was doubled and trebled.

Let us bear in mind, then, as a rough approximation enabling us to realize the confusion into which farmers were thrown by the fixed prices imposed on their produce, that what they had to pay increased by a steady progression until it was multiplied in 1918 as follows, wages twofold, large implements threefold, cattle foods fourfold, fertilizers fivefold, and certain stores even sevenfold.



## CHAPTER V

### LEGISLATIVE AND ADMINISTRATIVE ACTION

#### 1. REQUISITIONS AND FIXED PRICES

##### *General Policy.*

AMONG the anxieties that assail the mind of a people abruptly flung into a great war and menaced with invasion and isolation, those relating to food supply must be set at rest without delay. Let provisions run short in the shops for a single moment, and panic will spread and riot be imminent. A government desirous of maintaining order and of keeping the national spirit of resistance unimpaired must take measures in order to avoid such dangers.

The policy followed throughout the war in France, if it did not relieve the Government of the criticisms and complaints at one time of the consumers, at another of the producers, at least succeeded in allaying uneasiness. It came to the point of a strict rationing of the population; in certain localities even, particular articles, bread, sugar, salt, or others less indispensable, occasionally gave out for a time; and the authorities responsible for the country's food supply no doubt now and again felt intensely anxious; but neither the army nor the people behind it ever felt, or can have even seriously apprehended, a lack of the necessities of life. Privations were experienced; absolute want was unknown.

This is already a considerable achievement to be placed to the credit of the policy adopted, and it evidently could not have been attained without some measure of control. If commerce had remained free, the inadequacy of production and of stocks would have led to a rise in prices and to inequalities in distribution, and these would have occasioned serious disorder. But because the system applied in France resembles that advocated by the partisans of State Socialism, the enemies of the latter lay stress on the errors that were committed, on the losses suffered by producers, on the ruin of certain merchants (omitting to speak of the fortunes too rapidly amassed by others), and on the inconvenience and privations to which consumers were subjected. They point to the incurable im-

perfections of government control, to the complications of the mechanism and to the costly blunders that occur in its elaboration.

This is not the place to utilize the experience of the war for a re-trial of the ever-pending dispute between the partisans of *laissez-faire* and the interventionists. As usual in sociological questions, the too complex conditions in which the experiment was carried out do not permit of confident inferences. Regulations were made, added to, and amended, under the stress of events. The history of agricultural policy during the war shows how difficult it is to exercise control in economic matters, especially in a sphere where producers are extremely numerous and unaccustomed to submit to discipline in the common interest. But the very insufficiency of the control also brings out the danger of relying, for the country's food supply in a period of dearth, on free initiative stimulated by the hope of gain and checked only by fear of loss.

The problems to be considered in a study of French agricultural policy during the war are numerous; other volumes of this series deal with such of them as concern food supply and rationing, customs tariffs and imports, and control of prices. The object of this volume, however, could not be attained without an examination of the effect on production of requisitions, of fixed prices, of the various forms of control, and of the rise of prices or their restriction by law.

One purpose dominated French policy throughout the early course of the war, that of protecting the consumer from a marked increase in prices. The Government showed, in particular, a tenacious determination to keep the price of bread unchanged. Its quality was modified, all sorts of substitutes were introduced into its composition, its consumption was limited, the sale of fancy breads was prohibited, and that of stale bread enjoined, but its price hardly altered. The Minister of the Interior was spared such anxieties as the specter of dear bread would have aroused. But the difficulties that he escaped were transferred to the Ministers of Agriculture, of Food, and of Finance. Indeed, when the Government started on this path, they could not foresee how far it would carry them.

The first step taken was to encourage imports by the suspension of import duties, first on wheat and meslin (both grain and flour)—July 1914; then successively on barley and oats, divers preserved

vegetables and salt meat, potatoes, maize (grain), horses, asses and mules, flour, cattle, fresh meat, and, finally, oil-cake (November 1914). During 1915 these regulations were revised; by decree of 18th March import duties were restored on rice and rice flour, and by decree of 16th October on wheat and wheaten flour. The other regulations of 1914 were confirmed, including the prohibition of export of certain produce necessary to the country's food supply. The articles whose export was prohibited in 1914 were oil-cake and brewers' grains, beet-sugar, eggs, fruit fresh or dried, vegetable extracts for tanning, charcoal, wool and woolens, and walnut wood. A decree of February 1915 added to the list, among other things, lactic acid, floss silk, cyanamide, hard cheese, certain oils, hams, fresh vegetables, iron, steel, phosphorus, and salt meat; a few other products were added in May 1915. But presently (August 1915) came a decree authorizing in favor of certain countries exceptions to the prohibition of the export of wine. And then follow in succession decrees prohibiting certain exports, *arrêtés* authorizing exceptions, and *arrêtés* canceling previous *arrêtés*, all adopted under pressure of circumstances, showing signs of lack of foresight and of amendments occasioned by the complaints of victims.

This portion of French commercial policy need not, however, detain us. Compared with the effect on agriculture of requisitions, fixed prices and control, foreign competition and the closing of foreign markets to French produce exercised a hardly perceptible influence. Prices on the home market remained throughout (except for meat) lower than those which the Commissariat and the Ministry of Food had to pay for foreign produce. So anxious was the State to save the consumers from a demoralizing rise in prices that it prevented farmers from realizing the profits that the free play of demand and supply would have brought them; it imposed on them a scale of prices so low as in many instances to discourage production.

### *Requisitions.*

The mobilization decree brought about an abrupt and profound change in the requirements that agriculture was called upon to meet. The Military Commissariat found itself suddenly charged with the task of feeding several millions of men assembled under arms at a distance from their ordinary places of residence. It could



reckon for the purpose in the first place on the stocks in its store-houses, though these comprised, in very small quantities be it added, only a few special commodities of the kind that keep well. It looked to the resources of the country for the main supply. It had been customary before the war to prepare agricultural statistics and classified returns of horses and carriages, in order to facilitate, if circumstances should require it, the task of the Commissariat and Remount Departments. As a matter of fact, no use was made of all this paper work when the time came, because it inspired no confidence; it was so much more practical and efficacious to go and take on the spot, as required, the produce and the animals that the Army needed.

The Commissariat was, in fact, empowered by a law and a decree of 1877 to requisition 'the provisions necessary to make good deficiencies in the ordinary means of supply of the Army.' Art. 2 of the law laid it down that 'all supplies furnished on requisition give a right to compensation representing the value of the goods supplied,' and Chapter V of the decree set forth the procedure to be followed: central and departmental Commissions were to be set up to fix prices; persons considering themselves aggrieved were to have right of appeal to the Courts of Law; the mayor was to allocate among the producers of the commune both the quantities to be furnished and the sums payable.

This system, which had been devised to meet the limited needs of troops on the march, and was well adapted only to peace manœuvres, had to be modified in consequence of the prolongation of the war and of the large number of men to be supplied—at first one-tenth and finally one-fifth of the entire population. So long as the belief in a short war prevailed, the Commissariat requisitioned in the manner that seemed to it most convenient and effective, without concern as to the consequences to agriculture. The levies were not distributed over the various districts according to their capacity; some commodities, notably wine, were even requisitioned in larger quantities than could be removed and paid for, in order to constitute a reserve. As for prices, these were kept as low as possible throughout.

No later than 1915, the danger of this too military method of procedure began to be noticed. It was becoming evidently neces-



sary to organize supplies, to ascertain from the Ministry of Agriculture what departments could furnish them, to distribute the burden equitably and even to try to lighten it. For inasmuch as the Commissariat, in accordance with its traditions, was endeavoring to keep prices down, most producers had good reason to dread the requisitions. The system, no doubt, had certain advantages of a general character: it provided a large market, it reduced the quantities on offer and thereby raised prices; but for this very reason it was either not advantageous, or positively disadvantageous, to those producers who were actually subjected to requisition, since they were deprived thereby of the chance of selling their goods at a higher price. Only a general requisition of all produce would have allayed the jealousies that naturally ensued. But the Army Commissariat was unequal to absorbing the quantities involved in such a measure.

This situation was modified, so far as cereals were concerned, when requisitions were organized, under the Ministry of Food, to meet the needs of the civil population: the farmers were allowed to keep only the quantities required for their subsistence, all the surplus being taken over at fixed prices. We shall see later, when we examine the system of price control and its effect on production, the variations in these prices and their constant inadequacy.

The practical difficulties to which the system of military requisitions gave rise may further be gauged in connection with two of the most important commodities, cattle and wine.

### *Requisitions of Cattle.*

It has been remarked that in 1914, the Commissariat still held the archaic belief, dating from Cæsar's time, that armies must be followed by everything necessary to their subsistence, including numerous herds of cattle, which, in the conditions of modern warfare, were likely to be an encumbrance in an advance and a source of confusion in a retreat. Indeed, a large number of cattle did fall into the hands of the enemy in the first weeks of the invasion. Even after the stabilization of the front, the formation of reserve parks, the animals in which remained exposed to the inclemency of the weather, was bound to lead to a deplorable waste. Moreover, the scheme of requisitions had been drawn up without regard to the season in which

hostilities might commence. Thus, for the first sixty days, oxen were to be requisitioned in the department of the Allier, although the war began in August and that department usually supplies the market only in winter; whereas close at hand in the Nièvre, which sends its cattle to market in the summer and autumn, the fields were full of beasts ready for market, which could not be moved for lack of means of transport.<sup>1</sup> The members of the local Receiving Commissions<sup>2</sup> had too often been selected for political reasons and did not prove very competent; being called upon, moreover, to furnish supplies in all haste, as the stock of meat in the Commissariat's stores was sufficient for a month at most, they acted without discrimination, so that draught oxen, milch cows, and other unsuitable animals were forwarded to the collecting centers. In October 1914, a cow was received in Paris from Brittany, for the food supply of the Army, weighing 165 pounds.

Further, it must be remembered that as regards meat, mobilization brought about not only a displacement, but an enormous increase of consumption. The civilian who on the average used to consume about 4 ounces a day at home, consumed when mobilized quantities varying from over a pound to 11 ounces, according as he was in the first or second line, in a rest camp, or in a depot.

The early requisitions gave rise to vigorous complaints, and various measures were adopted in consequence, such as the purchase of oxen in Canada and sheep in Algeria. But these provided only palliatives. The solution of the problem was found in the importation of frozen meat. It should be remarked that this was only rendered possible by the assistance of England, for there had been no sale of refrigerated meat in France before the war. Everything had to be improvised by the Commissariat and it was done with creditable speed. By the 1st January 1915, the whole French front (including the Belgian Army) was receiving frozen meat one day in two (550 tons a day). The quantity supplied rose to 740 tons a day by

<sup>1</sup> A. Massé. *Le Temps*, 12th February 1919.

<sup>2</sup> A 'Receiving Commission' was named in each department by the Minister of War, composed of a representative of the Commissariat as president, and a variable number of military and civil members, the latter chosen for their professional or technical competence. The function of these Commissions was to secure from local resources, either by purchase or requisition, the commodities required by the army.

July 1915. The total amounts imported into France during the war were as follows:

	<i>Beef</i> <i>Tons</i>	<i>Mutton</i> <i>Tons</i>	<i>Pork</i> <i>Tons</i>	<i>Total</i> <i>Tons</i>
1914	22,000	3,000	. . . .	25,000
1915	213,000	9,000	. . . .	222,000
1916	203,000	13,000	1,000	217,000
1917	166,000	13,000	1,000	180,000
1918	214,000	15,000	2,000	231,000
	<hr/>	<hr/>	<hr/>	<hr/>
	818,000	53,000	4,000	875,000

Nearly 60 per cent of the meat consumed by the Army during the war was frozen meat.

These imports of frozen meat saved the country's live stock. Calculating on the basis of the anticipated imports, the administration was able to determine the numbers of cattle which would have to be requisitioned in France, and the best period for purchasing and requisitioning in each district. Moreover, the imports lowered the cost of the Army's meat supply, for the prices paid to French cattle breeders were throughout a little higher than those paid to foreign merchants for deliveries at French ports.

Returns of the prices that the purchasing commissions were authorized to pay—prices which varied considerably in different departments according to the quality of the local breed—show that the Commissariat zealously defended the interests of the State and effected a slow retreat before the rise. For second quality oxen (which alone were requisitioned for the Army) under four years of age the authorized minimum prices per hundredweight rose gradually from 75-105 francs at their lowest to 170-215 francs, at their highest, and the maximum prices from 90-120 francs at their lowest to 180-240 francs, the exceptional premium for well-fattened beasts rising from 10 francs per hundredweight to 40 francs. Prices were thus barely allowed to double in four years of economic disorganization.

What should particularly be noted in these brief remarks on the requisitioning of cattle is the rapid exhaustion of the country's resources in the early months of the war and the necessity of importing meat. Two figures should be borne in mind. In the last five months of 1914, requisitions carried off 735,158 head of French

oxen: from the 1st August 1914 to the 31st December 1918 the number requisitioned for Army supplies did not exceed 2,900,000. The annual average levy for the years 1915 to 1918 was thus reduced to about 540,000 head. Herein lies the explanation of the fact that French live stock was not completely sacrificed, and that the rise of prices was kept within bounds, notwithstanding the enormous increase of consumption.

### *Requisitions of Wine.*

A report to the Senate on the purchases of wine in France and Algeria reveals military requisitions under quite a different aspect. Nothing here had been organized beforehand, for wine was not included in the soldier's regular ration; it was to be distributed only exceptionally, when mess economies and local circumstances permitted of its purchase. But Frenchmen, if they are great bread-eaters, are also for the most part drinkers of wine. So exceptional distributions, as was to be expected, before long became more frequent; then gave place to a regular ration; and finally the quantity of the ration was increased.

Moreover, as early as the autumn of 1914, the vine growers of the Midi had taken the initiative in presenting large quantities of wine for distribution to the combatant forces. This was a characteristically generous act, but if the donors had had their own interests in view, they could not have acted more adroitly. They had large stocks in hand and had just got in an abundant vintage, which they could not hope to get rid of, seeing that consumers had disappeared and means of transport had failed. The price of wine had fallen below 10 francs the hectoliter (about 45 centimes the gallon); the only chance of raising it was to find a new outlet. The following figures of the amounts requisitioned show that the success of the vine growers exceeded their utmost hopes:

	<i>Thousands of Gallons</i>	
	<i>France</i>	<i>Algeria</i>
1914	45,936	2,310
1915	64,724	31,636
1916	90,398	37,246
1917	166,650	43,516

The decision of M. Millerand, Minister of War, to distribute wine daily to the forces, completely altered the situation of viticulture.



The Commissariat's purchases restored life to the wine market and when it became evident that the vintage of 1915 would be short, owing to neglect of the vines, speculation for the rise carried prices to unheard-of heights.

The requisition of wine raised two interesting problems, that of prices and that of organization; for the quantities levied had to be collected from a host of vine growers, estimated at 70,000 for the four departments of the Languedoc alone.

We can leave aside that part of the organization which concerned only the Commissariat. From the moment when it took delivery of wine, it had of course to see to its removal by road and rail to the depots that it had established; then to examine it, to grade it, sometimes to treat it, and finally forward it according to the requirements of the troops. It meant the organization of a great wine dealer's business, with headquarters and branch establishments; but experts were not wanting and labor to handle the wine could be got from the Army.

The relations with the vineyard owners, on the other hand, were not free from difficulty before the methods of the Commissariat had become sufficiently flexible to adapt themselves to commercial usage. In 1915, when they had no stocks, the mode of procedure of the military authorities was somewhat too drastic. They requisitioned wines in transport, they laid embargoes on whole cellars and then requisitioned a part, they laid on the owner the burden of storing and tending without compensation the wine they had requisitioned. These unduly rough and ready methods gave rise to complaints, to which the Commissariat deferred as soon as it realized that they were justified.

When the Inspectorate General of Food Supply was formed in August 1915, requisitions were limited to a certain maximum proportion of the produce, varying each year from a sixth to a third according to the plentifulness of the vintage; but the proportion was the same for each wine grower. Requisitions of wine in course of transport and embargoes on cellars were to be discontinued, and purchase by agreement was to be resorted to whenever possible.

As the trade prices were substantially above those fixed by the Commissariat, equity required that all growers should be subjected to requisition. Even after the exclusion of remote localities in which the output was very small and the cost of collection disproportion-

ately heavy, this anxiety to deal equitably with all led to a marked increase in cost. The fact that only wines of ordinary quality were to be requisitioned also gave rise to some inequality of treatment, resulting in protests on the one hand and attempts to escape requisition on the other.

The fixing of prices presented difficulties of a more serious character. In framing the tariff for requisitioned wine, advantage had been taken of the extremely low prices, below the normal cost of production, that had been realized at a time when sales were practically impossible. This scale had to be raised from month to month, as purchases by the Commissariat occasioned a sharp recovery in prices; the hectoliter (22 gallons) of wine of 7° alcoholic strength, which at the beginning of June was priced 9 frs. 50, was fixed at 13 francs, 21 frs. 25, 28 frs. 75, and 31 frs. 25, in the four following months.

Owing to the small amount of the 1915 vintage, supply became difficult. Over 10 million gallons were purchased in Spain and Portugal at 46 pesetas and 39 francs respectively the hectoliter. Two hundred and twenty thousand gallons were even purchased in the Argentine, but the price delivered in French harbors worked out at 70 francs the hectoliter. The experiment proved an expensive one, but showed that high prices were justified for the French supply.

The scale for wines of the 1915 vintage was fixed according to departments, to allow for differences in quality and cost of production; it varied also with the alcoholic strength, as is usual in the sale of ordinary wines. For red wine from the Midi the price ranged from about 35 francs the hectoliter of 7° strength to about 42 francs for 12° strength, wine of better quality from the Gironde reaching 46 frs. 50.

The vintage of 1916 was fairly good, but stocks were completely exhausted; the requirements of the Army had also increased, for the ration had been raised uniformly to 50 centiliters (about 9/10 of a pint), and there were in addition the purchases by messes and Coöperative Societies. As on the other hand the cost of cultivating vines had already much risen, a fresh increase of prices was inevitable. This increase was especially considerable for regions other than the Midi, thanks no doubt to the activity displayed by the deputies of those regions in pressing their claims on the Under-Secretary for Food. The tariff of prices became somewhat compli-

cated, the vine-growing departments being divided into seven different categories, with five different scales, to which premiums were added in respect of certain departments. The rates comparable with those quoted above for 1915 may be said to have ranged from 35 francs to 51 francs the hectoliter, that is roughly 5 francs per degree of strength, wine of better qualities reaching higher prices, *e.g.*, wine from the Gironde of 9° being rated at 60 frs. 95.

The vintage of 1917 was a little better than that of the preceding year; but the consumption in the Army zone and around the munition factories continually increased. The Commissariat estimated its requirements at double those of the preceding year and fixed the amount to be requisitioned at a third of the output. The discussion of the tariff was carried up to the Council of Ministers, which showed a more generous disposition than the Central Requisition Commission and the Ministry of Finance, and fixed a rate of 72 francs for wine from the Midi of 9° (equivalent to 8 francs per degree of strength). The rates comparable with those quoted above ranged from 54 francs to 90 francs the hectoliter, and for better qualities from 65 francs to 97 francs.

For the vintage of 1918, which was good both as to quality and quantity, requisitions were confined to the four Southern departments and the Gironde. The tariff of the preceding year remained unaltered, but producers received more, because the alcoholic content of their wines was generally higher.

In short, assuming that 25 francs the hectoliter was the average pre-war price for wines from the Midi of a strength of 9°, one finds that the prices paid by the Commissariat at the end of the war had multiplied about threefold. But market prices had risen far higher.

#### *Requisitions as an Act of Public Authority.*

The principle laid down by Art. 2 of the law of 1877 was that 'all supplies furnished on requisition give a right to compensation representing the value of the goods supplied.' When faced with a steady rise of prices, the military authorities entered on a discussion with refractory producers as to the meaning of the word 'value' in the text, and carried it before the Courts, right up to the Court of Cassation. Did 'value' mean the cost of production or the market price?



They pointed out, in the interests of the State, that abnormal conditions were disturbing the normal effect of supply and demand and that requisitioning itself had a tendency to raise prices. The Central Requisition Commission asserted that 'as a requisition is not a bargain resulting from the free will of the contracting parties, the compensation awarded cannot be assimilated to a commercial price arrived at by free discussion.' This proposition was accepted by the Court of Cassation, which declared 'that military requisitions . . . are measures of public authority . . . that, depending as they do on the sole will of the State acting from public necessity, they have the character neither of a commercial purchase nor of a bargain to supply, nor of any contract at common law; that the value must be assessed at the date of the requisition, and compensation calculated solely with reference to the loss caused to the owner by the dispossession of his property and without regard to the profit which might have accrued to him from the rise in prices artificially produced, whether by speculation or monopoly or by any other conditions resulting from the state of war and notably from the exercise itself of the right of requisition.'

Concerning the principles thus laid down much might be said from divers points of view, those of equity, of the needs of national defense, of the State finances, of the producers, and of the effect that the suppression of all profit might have on output. It is this last aspect of the matter that specially concerns us in this volume, and it will be considered later. We will here draw attention only to the dangerous character of the weapon that the Court of Cassation thus placed in the hands of the civil and military administrations. With markets upset by all sorts of abnormal circumstances, where were officials and tribunals to be found capable of determining the real value of commodities? Where were the indisputable data that would divest their decisions of an arbitrary character? The theory can be judged from the fact that it could not be applied, and that no attempt was made to apply it, to manufacture. If fair prices, comprising a substantial margin of profit, had not been conceded to the shell factories, the required output would not have been forthcoming.

It is only fair to say, however, that the Commissariat Services showed moderation. No doubt they always strove to resist the rise in prices, but so far as possible they avoided exasperating the pro-



ducers. Particularly in the case of cattle, when too much resistance developed in one department, the Commissariat was careful to divert purchases to another. As regards wine, thanks doubtless to the preliminary discussions between the great vine-growing associations and the administrative authorities, few disputes, when the first perturbation and anxiety had passed off, were carried before the Courts.

It was only when there was a real dearth of some required commodity, as, for example, oats in 1917, that it was decided to act with vigor. Such vigorous action always leaves resentment in the minds of those who have been its victims.

### *Fixed Prices.*

At the outbreak of war, French law contained only one text capable of being used as authority for fixing the price of foodstuffs; it was an obsolete provision and at best did not carry one very far. A law of 1791 empowered the authorities to fix provisionally the prices of bread and butcher's meat alone, expressly excluding the prices of wine, grain, and other commodities. Apart from this relic of the revolutionary epoch, some use might perhaps be made of Art. 420 of the Penal Code, aimed at fraudulent operations tending to raise the price of grain, flour, bread, etc.; and in fact in 1914 Procurators General had been directed to repress with energy, by virtue of this text, 'attempts to monopolise commodities or other fraudulent devices designed to raise their price artificially.' At a moment of panic, when public opinion demands summary measures, merchants might have seen in this a formidable menace; but when people have not yet lost their heads, it is not easy to say at what point a rise of prices becomes artificial or a commercial operation resulting in such a rise becomes fraudulent. As a matter of fact, no occasion was found for legal proceedings.

### *Fixed Prices of Cereals.*

We have already seen that the Government had recourse to the competition of imported wheat in order to counteract the rise in the price of home-grown wheat, and removed the tariff barrier against the former; it also threatened recourse to requisitions at a maximum price of 32 francs the quintal (220 pounds) to discourage speculation for the rise.

After prolonged examination, the Senate and Chamber passed the law of 16th October 1915, authorizing prefects to requisition wheat and flour for the supply of the civilian population. This law fixed a maximum price of 30 francs the quintal for wheat weighing 77 kilos to the hectoliter (approximately 60 pounds to the bushel) and containing not more than 2 per cent of foreign matter, with additions or deductions as the quality was better or worse than the above.

It was by this indirect path that fixed prices were approached. Prefects were no doubt reminded that requisitions should only be employed in the last resort, that the military regulations contemplated recourse in the first instance to cash purchases by mutual agreement, and that all the more must this be the rule as regards civilian supplies; but the same instructions went on to point out that the mere possibility of resort to requisition on the terms fixed by law must preclude agreed prices from exceeding the maximum requisition price. It became indeed difficult for dealers to purchase any considerable quantities at more than 30 francs, seeing that prefects were directed to requisition, at that maximum, any supplies to which their attention should be drawn as having been purchased at a higher price. In fact, without saying so in so many words, the law of 16th October 1915 had instituted fixed prices for wheat and flour.

Six months later it became necessary to modify the law and to add other fixed prices. The price of 30 francs, which from the first was too low for many farmers, was now utterly inadequate; at the same time the price of oats, which was not controlled by law, had nearly doubled. There was accordingly a strong inducement to farmers to abandon the cultivation of wheat, the area sown with which had fallen in the autumn of 1915 to about 12 million acres, from nearly 16 millions in 1913 and over 13 millions in 1914. It was therefore urgently necessary to encourage the sowing of spring wheat. A decree of March 1916 fixed the price of spring wheat purchased by the military authorities at 33 francs, that of winter wheat remaining at 30 francs.

Shortly after, the Government was authorized by law to fix maximum prices for oats, barley, rye, bran, and pollard. By a decree of 2nd May 1916, the price of black or grey oats of a defined quality was fixed at 29 francs the quintal (220 pounds) and of white oats

at 23 francs. The price of bran was fixed at 16 frs. 50 the quintal. But the grain trade declared that it was impossible to buy so as to sell again at these prices, and a further decree of 18th May raised the prices that the dealer might charge by 2 francs *plus* the *octroi* duty if any; the prices to the producer remained unaltered.

Up to this point it had been possible to pretend that wheat prices were only fixed for the purpose of requisitions, and that dealings in wheat remained uncontrolled. This could not continue. The law of 29th July 1916 fixed the maximum price for wheat payable to the producer at 33 francs and also raised the proportion of flour to be extracted from 77 to 80 per cent. The price of bran was also fixed in August at 18 francs. These were real fixed prices binding on all; the law stated in terms that no wheat grown in France must be sold at the farm at a price higher than 33 francs the quintal, and penalties were imposed on buyers and sellers for breaches of the enactment. After a period during which the State confined itself to endeavoring to keep down prices, we now come to a phase in which it tries to stop all oscillation of prices by fixing them absolutely.

With surprising innocence the legislator had thought to fix this price of 33 francs 'for the duration of hostilities and for one year after the general demobilization.' The rise in the cost of production and a fresh reduction in the area sown in wheat soon rendered it necessary to alter the fixed price. It was at first thought possible to get out of the difficulty (law of January 1917) by a drafting device, which, while maintaining the fixed price of 33 francs, granted a premium of 3 francs on each quintal of wheat harvested in France, and a premium of 20 francs for every  $2\frac{1}{2}$  acres of wheat in excess of the area of the preceding year.

Even before this enactment could come into effect, its inadequacy was recognized and it was repealed by the law of the 7th April 1917, which subjected to control all kinds of cereals employed in the manufacture of bread. A decree of the 8th April ordered the declaration and registration of all such cereals (including barley, rye, maize, buckwheat, soya, millet, and beans) and fixed the price of wheat at 36 francs and that of oats at 31 francs. But is anything more difficult than to 'fix' prices, especially at a time of perturbation, when numerous circumstances tend to produce a rise? In July 1916 a price of 33 francs was thought sufficient; the decree of April 1917 made it 36 francs; that of July 1917, 50 francs! It might have been



an auction. At the same time the price of barley, maize, rye, and buckwheat was raised to 42 francs. Cereals that had not been declared would, when requisitioned, be paid for—provided that they could be identified—at rates 7 francs less than the above. The price of bran was raised to 30 francs.

This rise in the price of wheat was to react on the policy adopted in regard to bread. At first prefects were authorized to increase the price of the kilo of bread by 5 centimes; but as this was insufficient to save bakers from heavy loss, a system was finally adopted by which the Ministry of Food reimbursed bakers for the difference between the regulation price of bread and its economic price. Along this road the country was destined to travel far.

The decree of July 1917 had declared that the price of 50 francs would be maintained until the 15th July 1919: it was thought that this would constitute an effective encouragement to farmers, perhaps even some compensation for the inadequate prices previously imposed on them. Unfortunately this very price of 50 francs soon became insufficient, as might have been foreseen, since there was nothing to check the increase in the cost of production. On the 21st May a decree fixed the prices for the coming harvest at 75 francs for wheat, 55 francs for barley, oats, maize, rye, and buckwheat, 62 francs for meslin and so forth. These rates were to be yet further raised; for after the war the price of wheat was carried to 100 francs.

To take a comprehensive view of this tangled legislation we have thus, in brief, the following phases.

First as regards customs:

On 31st July 1914, suppression of customs duties on wheat and meslin (both grain and flour), followed on 2nd August by a similar suppression as regards barley and oats, and on the 4th August as regards maize grain. On the 16th October 1915, the duties were re-imposed on wheat, flour, and bread.

Next as regards prices:

From 1st August 1914 to 16th October 1915, military requisitions (maximum price for wheat 32 francs the quintal—220 pounds).

From 16th October 1915 until the harvest of 1916, military and civil requisitions (maximum price for wheat 30 francs the quintal).



For the harvest of 1916, winter wheat, 30 francs; spring wheat, 33 francs; black and grey oats, 29 francs; white oats, 28 francs.

From 25th April 1917, wheat, 36 francs; oats, 31 francs.

For the harvest of 1917, wheat, 50 francs; barley, maize, rye, and oats, 42 francs.

For the harvest of 1918, wheat, 75 francs; barley, maize, rye, and oats, 55 francs.

For the harvest of 1919 the prices of the previous year were reduced by 2 francs.

For the harvest of 1920, wheat, 100 francs; rye, 80 francs.

From the 15th May 1921 the trade in cereals within the country became free again, though the State continued to purchase by agreement, at the last-named prices, stocks remaining in farmers' hands.

We shall have to examine the effect of these prices on production; but as price control was not limited to cereals but extended to a number of other agricultural commodities, we must first see how these were dealt with.

#### *Fixed Prices of Other Agricultural Produce.*

The law empowering the Government to fix the price of merchandise was not passed until the 20th April 1916, and was directed at the time to a small number of commodities: 1st, sugar, coffee, mineral oil, and petrol, whose price would be fixed by decree; 2nd, potatoes and dried vegetables, milk, margarine, fertilizers, sulphate of copper and sulphur, etc., whose price might be fixed by prefects in their respective departments; 3rd, bread and butchers' meat, whose price might be fixed by the mayors of communes or failing them by the prefects. A law of 30th October 1916 added butter, cheese, and oil-cake to the above list.

The delegation to the prefects of the power to fix prices makes it impossible today to study the subject thoroughly, for the necessary data are buried in departmental archives. But the Ministry of Food frequently intervened with advice and assistance, and finally with directions to suspend control when the ill effects of the system became apparent. These interventions will enable us to realize the endless difficulties that arise when the public authorities take upon themselves to fix the price of commodities.

*Potatoes and Dried Vegetables.*

Early in 1917 the Minister repeatedly intervened to order an increase in the price of potatoes, in a manner which suggests that he was reluctantly yielding to the pressure of circumstances. By circular of the 3rd February he first directs prefects to fix the prices for the civil consumer at the rates adopted by the Commissariat for the supply of the army. A fortnight later, by telegraphic circular, the Minister instructs prefects to adopt an increase of 50 centimes a quintal to compensate producers for waste due to the frost. On the 1st March we have a fresh circular. 'It has been decided, in agreement with the Commissariat, that the price to the producer of potatoes of all kinds shall be raised by 1 fr. the quintal from to-day. Request you to issue new *arrêté* accordingly, first submitting draft to me.' On the 23rd March yet another telegraphic circular. 'Referring to previous instructions, request you to increase price of all kinds of potatoes to the producer by 1 fr. 50 the quintal. Date of coming into force of new regulation for both producer and consumer definitely fixed for 1st April. On that date the price will be enforced throughout France.'

Just as military prudence directs, on receipt of an order, to await the counter-order, so it is in civil administration, at least in time of war. For, on the 6th April, the Minister circularizes all prefects again, by telegraph as usual, ordering the cessation of potato control 'in consequence' he says 'of the exhaustion of the 1916 crop, and in order not to cause perturbation in the minds of the growers of potatoes at the very moment when they are proposing to set aside large areas for sowing these tubers.' In plain language the Minister had at last become aware that at the unduly low price he had attempted to impose farmers would give up production.

But if it was important, at the moment of potato sowing, 'not to cause perturbation in the minds of the growers,' it evidently was no longer so after the harvest! The *arrêté* of the 3rd September 1917 restores the potato control, adding that of haricot beans.

On the 12th September it was prescribed that no consignment of haricot beans should be accepted except on the declaration of the sender that the price paid to the producer had not exceeded 140 francs the quintal for small white beans and 160 francs for superior qualities. The price for first quality potatoes in the region round

Paris was fixed at 22 francs, for second quality at 20 francs, for third quality at 18 francs. These prices were reduced by 2 francs for other regions. On the 29th October a new *arrêté* canceled this regional distinction, the reason for which is not obvious today, and divided potatoes into five qualities, raising prices so that they ranged from 27 francs for superior qualities to 16 francs for the lowest. The same *arrêté* established three classes for beans, at 180 francs, 160 francs, and 140 francs.

On the 24th September 1918 the Minister simplified the above classification, which was liable to give rise to confusion, and substantially increased the price, to 38 francs for kidney potatoes and 35 francs for round varieties (these prices however relate to potatoes in sacks on rail).

On the 14th August 1918 the maximum prices for beans had been raised to 190 francs, 170 francs, and 150 francs on rail. A decree of the 3rd December confirmed these prices, but made them applicable to deliveries on the producers' premises; it also added peas to the list, at a maximum price to the producer of 160 francs the quintal.

### *Milk, Butter, and Cheese.*

The history of the control of milk and its products does not reveal a much greater measure of firmness or consistency. As empowered by the law of 30th October 1916,<sup>3</sup> the Minister, by circular of 11th January 1917, instructs prefects to fix prices as from the 1st April for Gruyère cheese, not exceeding 310 francs the hundred weight for cheese fresh from the factory, and 330 francs for cheese ready for consumption, on rail. A circular of the 12th January gives detailed instructions regarding butter prices, which are to vary, according to the region and quality, from 4 francs to 5 fr. 40 the kilo (2.2 pounds).

The above scale proved too severe as regards Gruyère cheese. Producers complained and the Minister began by granting a small increase to 330 francs and 350 francs, explaining that it had been pointed out to him that the original rates would entail the canceling by the cheesemakers of their contracts for purchase of milk. But on the 31st March he was obliged to abandon the control and

<sup>3</sup> See page 85.

telegraphed to the prefects concerned: 'Request you to suspend till further notice enforcement of control of Gruyère cheese.'

The control of butter prices resulted in a marked reduction in the supplies of butter in the public markets; clandestine markets sprang up alongside of these; and on the 30th April the Minister ordered the abolition of the control.

When autumn came round, in view of the seasonal reduction in milk supply, the Minister, profiting by experience, no longer attempted to fix prices, but to regulate and restrict consumption. No milk or cream was to be consumed in cafés or restaurants after 9 A.M. (*arrêté* of 3rd September 1917).

The decree of 12th February 1918 restricted the consumption of fresh or preserved butter, of sour or clotted milk, of cream, of cream cheese, and soft cheeses. That of 1st July of the same year regulated the manufacture of cheeses and all other milk products, 'which was seriously threatening the milk supply of certain towns.'

The relinquishment of price control was, however, not final. A decree of the 29th August 1918 laid down that from the 15th September maximum prices should be fixed by prefectoral decree for the sale of milk and milk derivatives. For the calculation of these, the average price of milk to the producer was to be taken as not exceeding 37.5 centimes the liter (a little less than eight cents a quart), with variations according to quality, season, and local conditions. In the accompanying instructions the Minister maintained that this did not constitute a control of price to the producer, which would have been very difficult to organize in view of the differences in cost of production. The price of 37.5 centimes was, he said, a maximum that had not been reached.

These measures did not result in an increase of the milk supply for direct consumption. On the contrary, on the 9th November we find the Minister asking prefects to examine further how milk production can be increased in their departments, the supply in Paris having fallen off by 75 per cent as compared with the period before the war.

#### *Meat and Live Cattle.*

Mayors were empowered, as we have seen, by a law of 1791 to fix the price of butchers' meat in their communes. As a matter of fact,



municipal tariffs had been prescribed in only a few large cities where they were ill obeyed or totally disregarded. When the evident diminution of the country's live stock made it necessary to adopt protective measures, recourse was had at first to restriction of consumption; which leads one to suppose, what we shall see was the fact, that the crisis had not led to a marked increase of price to the producer. The first of the measures of restriction, the decree of the 14th April 1917, prohibited the sale of meat on 'Thursdays and Fridays in each week; by meat being understood butchers' meat, pork in all forms, poultry, game, and rabbits.

It was only in the spring of 1918 that the rise of prices, normal indeed at that season of the year, gave rise to anxiety; two decrees of the 28th May provided, the one for a census of cattle based on obligatory returns by all owners, the other for the establishment of maximum prices for live cattle in public markets. The maximum price of beef (first quality) on the principal markets was fixed at 4 frs. 80 the kilo (2.2 pounds) and a little later that of veal at 5 francs, of mutton at 5 francs, and of pork at 4 francs.

After the 9th July, that is, at the season when grass-fed cattle are ready for marketing, the above prices were reduced, that of beef to 4 frs. 30, and of veal to 4 francs. At the same time the control was extended to all cattle markets.

Six weeks later the relation of beef and veal prices was reversed, first quality beef not to exceed 4 francs the kilo, and veal, 4 frs. 60.

An *arrêté* of the 1st October fixed the price of pork at 5 francs, 4 frs. 75, and 4 frs. 60, according to the department. At the same date maximum prices varying according to the department were laid down for veal, a circular explaining that the maximum price of veal applicable under the previous system to the whole of France should only have been reached in those districts where butchers' meat was dearest; but as this difference of price had not in fact been maintained the Minister had been obliged to prescribe special maxima for each department. In other words, the effect of a national maximum price having been to raise prices where they were below that maximum, the Minister was forced to recognize the rise of the tide; he therefore set his dikes farther back and instead of a continuous line availed himself of local conditions to yield as little ground as possible. Doubtless, while drafting his circulars in formal and imperative terms he was under no illusions, and only hoped to

attenuate and retard a rise 'rendered necessary by the state of the market.'

After minute study of the question, a scale of maximum prices payable to the breeder for live stock was published by *arrêté* of the 24th December 1918. It distinguished between bulls and bullocks of any age and cows not more than 4 years of age on the one hand, and cows of more than 4 years on the other; it then classified these in three qualities, and finally divided the departments into five groups. A bullock of first quality in the first group of departments was priced at 200 francs the 100 kilos (220 pounds) live weight; a bullock of the third quality was priced 150 to 130 francs, according to the locality, and so on. For sheep, there were three qualities and three groups of departments, prices varying between 240 and 300 francs for the first quality and between 140 and 190 francs for the third. Calves of first quality were priced at 300 francs the 100 kilos live weight in one group of 16 departments, and at 260 in all the other departments. The maximum price for first quality pigs ranged from 480 francs the 100 kilos for animals weighing over 264 pounds to 410 francs for those weighing less than 176 pounds.

Finally, the regulations governing the sale of cattle and butchers' meat were repealed on the 5th March 1919.

### *Eggs.*

Until the summer of 1918 the price of eggs had been controlled on only a few markets and this control had resulted in a great reduction in their supply. The Minister was at that time of opinion that only a maximum price applying to the whole country could check speculation and secure a fair distribution of eggs to all centers. An *arrêté* of 13th July accordingly fixed the maximum price payable to the producer at 300 francs the thousand (3 frs. 60 the dozen or 5 frs. 50 the kilo—2.2 pounds). A circular explained that this was an extreme price, which would be maintained in the season when eggs were scarce and was more than should be paid when they were abundant. This, augmented by cost of transport, middleman's profits, etc., brought the price of an egg in Paris to 40 centimes. Nevertheless an order of the Prefect of Police on the 4th September admits a price of 45 centimes for fresh eggs of standard weight.

On the 7th November 1918 a ministerial *arrêté* notes and authorizes a marked rise of price, 400 francs the thousand and 4 frs. 80 the dozen, and the price in Paris rises correspondingly. But the control was short-lived and came to an end on the 4th January 1919.

The control of sugar, which gave rise to numerous difficulties, and of other commodities manufactured out of agricultural products, need not detain us: the policy followed in regard to these is dealt with in another monograph, and the control itself had only a slight effect on French agriculture. As regards the control of the price of fertilizers, instituted in the interest of farmers, it will be discussed in the following chapter.

#### *Control of Agricultural Production.*

The system of general requisitions and fixed prices presupposes that the authorities are capable of determining a fair price for commodities. But owing to imperfections in the tariffs, whereby private interests are made to suffer for the benefit of the public, fixed prices are necessarily accompanied by prohibitions and measures of control. The special conditions of agricultural production, carried on by a very large number of workers, scattered all over the country, and by reason of their traditions and mode of life refractory to discipline of any kind, render supervision particularly difficult. The farmer fails to see the use of it and is only acutely conscious of the inconvenience and delay entailed by regulations that are frequently ill-adapted to the circumstances and therefore useless and harmful. Returns, verifications, inspections, prohibitions, and rationing were the cause of more annoyance to the peasantry than even fixed prices.

French law, even before the war, contained provision for the obligatory declaration of crops, but only as regards viticulture, and it was accompanied by this sanction, that the growers could only despatch, and therefore in practice only sell, such quantity of wine as they had declared. The system was of long date and the vine growers had become accustomed to it. But the attempt to require returns of any other kind of crop would in normal times have awakened an opposition that Parliament would not have dared to face. In that love of liberty for which the French peasant is noted



there is a large element of the traditional hatred of the exciseman, of the revenue officer, of the inspector of any kind; for he is always supposed to be spying for the benefit of the Treasury. That the returns and even the domiciliary inspections to which farmers were subjected during the war gave rise only to grumbling and not to open resistance speaks well for their patriotism. They bore from the official in military uniform what they would not have borne from the civilian.

Besides, the system of inspections and control penetrated into the country insidiously. It began with the inspections of military labor. Even the threshing return was first instituted by the Minister of War, in February 1916, as a check on the labor of exempted soldiers. Then, at the moment when the fixed price of spring wheat was raised, the decree of March 1916 required declarations of areas sown in the spring and of the quantities reaped from these.

It was only in the early part of 1917, when the continued reduction of the wheat area was giving rise to anxiety, that Government was brought to look upon a general obligatory return as inevitable. With a view to it, a decree of April 1917 ordered the registration throughout the country of all cereals convertible into bread, and of beans. For this purpose farmers were required to declare at the office of the mayor of their commune the stocks that they held, and the mayors were if necessary to verify the declarations. The quantities threshed and the quantities still in the sheaf were to be shown separately, a margin of error of 10 per cent in excess being allowed as regards the former and of 20 per cent as regards the latter. The amounts reserved for consumption by the farmer's family (220 pounds a head) and by cattle were also to be declared. All this clerical work recoiled on the mayor's secretary, who in the small rural communes was already overwhelmed.

A decree of July 1917 attempted to simplify these formalities by providing a harvest memorandum-book, of which the farmer was required to hand in the duplicate at the mayor's office, and at the same time set up penalties, which were lacking in the earlier decree. Cereals that the owner had failed to declare were to be requisitioned at 7 francs less than the fixed price. This gave a serious turn to the matter, especially as ministerial instructions were adopting a tone of extreme severity. A telegraphic circular, of the 23rd May, gave the 'most formal' directions to prefects 'to give their utmost sup-



port to secure the surrender of grain to requisition, and to have recourse even to perquisitions if necessary to overcome resistance.' Another circular advised prefects that in certain departments stocks of wheat had been discovered in excess of the quantities declared; they were therefore to arrange immediately for inspections to be carried out by the local commissions, accompanied by an officer of the Supply Department or a military officer returned from the Front.

During 1918 there were numerous orders with regard to the rendering and verification of returns. On the 30th January was set up a department for the registration of stocks of cereals and of the quantities grown and consumed. A decree of the 2nd April demanded, as a set-off against the increased price of wheat, absolute sincerity in the declarations of crops; regional controllers of cereals were to verify stocks held in each commune and severe penalties up to a fine of 2000 francs and two months' imprisonment were imposed in respect of concealment or attempts to hinder registration. The harvest memorandum book, having proved too complicated, was suppressed on the 21st May, and a declaration substituted of the areas sown in each kind of cereal and in potatoes; the department for the registration of cereals was to verify the correctness of the declarations and subsequently to estimate the yield from the threshing results.

The rise in the price of cattle in 1918 suggested that it might become necessary to have recourse to their general requisition. The subject had to be studied in advance and a general census of live stock taken. By decree of 28th May 1918, every owner of cattle, sheep, or pigs was required to make a written and signed declaration on a special form. It would be to his advantage to make the declaration accurately, as the returns would serve as the basis for the quantities of forage he would be allowed to keep.

It had thus come to the point that farmers were required to make returns, by which they accounted to the Government for the result of their labors, as regards all the principal articles of agricultural production: cereals, potatoes, wine, and cattle. But the very number of the orders shows their lack of complete efficacy. Returns could certainly not in all cases be verified. As usual, the law weighed most heavily on the honest people who obeyed it; those who evaded it in their own interests could not all be discovered and the spectacle of

their impunity spread dissatisfaction and demoralization among their neighbors.

The initiative of farmers was hampered during the war by many other enactments. It is impossible to set out a full list of these, but, among others, one which gave rise to loud protests was the prohibition of the slaughter of heifer calves, adopted when the future of French live stock had been compromised by excessive and ill-judged requisitions. Enforced at first in a large number of departments, the measure was generalized throughout France by a decree of October 1915. It forbade the slaughter of cows, ewes, or sows that were evidently pregnant, heifer calves under  $2\frac{1}{2}$  years of age, lambs weighing less than 55 pounds, and pigs weighing less than 132 pounds. In adopting this well-intentioned policy, the authorities lost sight of certain practical considerations which were more obvious to the peasantry. The scarcity of labor and fodder precluded, at least in certain regions, the rearing of animals that normally went to the butcher as early as possible; the preservation of young cross-bred stock was not always particularly desirable from the point of view of the national breed; and finally to rear a lot of calves meant reducing the milk supply of the towns. It is therefore not surprising that farmers disregarded whenever they could this too wholesale prohibition.

Another measure that illustrates how difficult the legislator finds it to understand fully the conditions of agricultural production, was the law of 25th April 1915, forbidding the feeding to cattle and horses of wheat fit for milling, or of wheaten flour or bread fit for human consumption. No doubt when the wheat crops were proving inadequate, to give wheat to cattle seemed to the consumer an act of wicked waste. But since, as was admitted, the cost of production of wheat exceeded that of oats by at least 5 to 6 francs, was such a proceeding not the natural outcome of a system of fixed prices that allowed 28 to 29 francs for oats and only 30 for wheat? Farmers were naturally impelled to market the better priced commodity and to secure by other means a profit on the commodity for which they could only obtain a price below cost of production, *i.e.*, by turning it into meat. Spoilt wheat in fact sold for more than good wheat, and fragments of bread were bought in restaurants for more than the price of bread at the bakers. This indicates that the natural

course of prices had been disturbed; there are economic laws that the legislator cannot repeal as he pleases.

*Influence of Fixed Prices on Production.*

The objection to systems of fixed prices is that, logically, they leave no room for the survival of any part of the system of free dealing. As soon as the price of any commodity is fixed, the prices of all the elements, including wages, that enter into its production, ought to be fixed also. And even this is insufficient if the fixed price is considered a low one by the producers; for in that case it becomes necessary to fix also the price of kindred commodities which they might set about producing in lieu of the one whose price is controlled. But if this is done, production as a whole is adversely affected. The war furnished examples of the unfortunate consequences that fixed prices and requisitions may entail.

The principle laid down by the Commissariat, when the rise in prices first came to notice, that purchases for the Army must not be a source of enrichment for farmers, was translated in practice into tariffs for requisitioned supplies substantially lower than commercial prices. Even supposing that the official price did not entail an actual loss for the farmer, it meant at least that he had to forego a possible profit.

There is a striking instance of this, to begin with, in the price of cereals; without referring to what might have occurred if the trade had remained free, it is sufficient to compare the prices paid by the Food Department for foreign wheat with the fixed price for home-grown wheat:

	1915	1916 and first half of 1917	2nd half of 1917	1918 1st half	2nd half
	frs.	frs.	frs.	frs.	frs.
Foreign wheat	45.76	60.53	63.39	85.87	85.93
Home-grown wheat	32	30 and 33	50	50	75

We get from these figures an approximate idea of the profits of which farmers were deprived by the control; it might probably be estimated, for the four years 1915-1918, at 3 or 4 billions of francs.

The vine growers, by analogous reasoning, say that requisitions cost them nearly 400 millions of francs; but their argument, based on a comparison of the sum paid for requisitioned wine with what they might have obtained for the same quantity sold to wine merchants at the rates that prevailed, is far more open to criticism. For they omit to take into account that unless requisitions had provided an outlet for a large part of their supplies, prices would never have reached the hitherto unheard-of prices that were recorded. Still, they are right in saying that their receipts were much reduced by the low prices, often below cost of production, imposed on them by the Commissariat.

There is indeed no doubt that the fixed prices, or what comes to the same thing, the requisition prices, were for many farmers below cost of production. It is unfortunately impossible to give direct proof of this, as data are lacking. But the abandonment of certain crops in favor of others fetching a better price furnishes indirect evidence of the inadequacy of the prices fixed.

The scarcity of labor explains in part, but not altogether, the altered crop distribution; prices also made their influence felt. In 1915 the wheat area was only 84 per cent of the wheat area of 1913, whereas the area under oats in 1915 was still 92 per cent of the area of 1913. The reason was that at this time the price of wheat was controlled and the price of oats was not. On the other hand, in 1918, when all cereals had been controlled since 1916, the areas under wheat and oats were in the same proportion, of 68 per cent, to that of 1913. This fact is the more striking because there was an actual increase in 1918 over 1917, in the area under wheat, of 4 per cent or 637,000 acres, due principally to the increase in the fixed price from 50 to 75 francs.

So again, though no doubt the laying down to grass of arable land was a consequence of the dearth of labor, yet the rearing on these new pastures of oxen rather than sheep is to be explained especially by the derisory price paid by the Commissariat for requisitioned wool. The whole output of France was requisitioned by the Army, but whereas wool purchased by it abroad was paid for at four or five times the pre-war price, that of the French farmer was requisitioned at a price at first slightly below, and subsequently, as a result of protests, at a price equal to, the pre-war rate. This



meant a loss for the farmers, many of whom did away with their flocks.<sup>4</sup>

When the Government became aware that farmers were employing the little liberty left to them on the more remunerative forms of cultivation, it endeavored to secure their obedience by an indirect method. By a circular of 13th November 1917, in a phraseology suggestive of the Lord Chamberlain's office, it established an order of precedence among agricultural products, according to their degree of utility. Wheat 'takes the first place,' rye is 'in the first line,' buckwheat 'takes an honorable rank,' millet 'should not be neglected.' Potatoes and vegetables 'rank with cereals,' but potatoes 'take precedence' and so on. 'This being laid down, and as it is the nation's food that is at stake, the nation must place her supply of labor at the disposal of those farmers who undertake to produce the commodities to which the Minister of Agriculture attributes the character of first necessities, as above. As regards sanctions . . . it will be thoroughly justifiable and sufficient to withdraw temporarily or permanently the labor supply of those individuals or associations who refuse to obey instructions.'

Accordingly we find a circular of 29th December 1917 directing that no laborer (whether detached from the Army, prisoner of war, or colonial) shall be placed by the local commission at the disposal of cultivators of chicory. The fact was that chicory (for use in coffee) which before the war was cultivated only in the North of France, penetrated as a result of the invasion into the center and west, where departments made a little room for it on their arable land. The vigilant authorities recalled them sharply to their duty.

But in striving to force producers to disregard their personal interests, the administration was undertaking a singularly difficult task. If its orders were not everywhere rigorously obeyed, then certain markets were deserted in favor of others where supervision was less strict. There is an instance of this in a circular of August 1918: 'the insufficient supply of cattle on the markets of large towns appears to be principally due to the fact that in certain departments orders regarding the maximum prices of cattle and meat are disregarded,' thus encouraging breeders to send their cattle there for sale.

<sup>4</sup> Alfred Massé, *La guerre et le Cheptel National; Conférence au Musée Social*, 22nd January 1919, *Mémoires et Documents*, May 1919.

If, on the other hand, fixed prices were rigorously enforced, public markets no longer received supplies, and clandestine markets were established alongside: 'Thus,' says a circular of April 1917, 'at the central Paris market the daily supplies of butter, which at the beginning of February reached 29,000 kilos, fell to 8000 kilos in March. . . . Meanwhile persons not specializing in the butter trade were setting up business in the neighborhood of the market and receiving butter direct from the producing districts, which they sold clandestinely at prices considerably above the fixed rates. . . . The Paris trade is disorganised to such an extent that on the 19th April, whereas only 6000 kilos of butter reached the central market, 28,000 kilos were registered at the Octroi addressed to various persons, and of these, 8000 were immediately re-directed to departments in the North. It may be asserted with confidence that the fixed prices operate to-day neither in Paris nor in the provinces.'

And these are not the only objections to price control. It occasionally makes for a rise in prices and consolidates it. This is especially so when a uniform rate is adopted for the whole country, although prices show regional variations. Thus the preamble of the *arrêté* of 12th September 1917 observed that in a number of departments the price asked by the producer for haricot beans was 160-180 francs the quintal, whereas in others 120 or even 100 francs was accepted. It was decided accordingly that producers were not to ask more than 140 francs for ordinary and 160 francs for superior qualities. One may doubt whether consumers derived much benefit from such a regulation; for, in localities where 160 francs was asked previously, producers would endeavor to dispose of as large a quantity as possible surreptitiously above the fixed price; and where they were previously satisfied with 120 francs or even 100 francs, they would now ask the fixed price, which, though in theory a maximum, becomes in practice a minimum. We have had occasion to observe a similar result of a price fixed for the whole country in connection with meat control (see page 89). In this instance the adoption of a general rate clearly had the effect of raising prices.

On the other hand, when an increased supply ought logically to bring about a fall in price, control prevents this from taking place. No doubt in this event, since it is the consumer's interest alone that is considered, the system of free dealing is hastily restored. Milk

afforded an instance of this in the spring of 1917. On the 14th May the Minister telegraphs to prefects: 'Favourable atmospheric conditions are now causing a rapid increase in production of milk and cheese, entailing appreciable reduction of prices. Control of prices of these commodities might result in maintaining artificially high price to detriment of consumer; request you accordingly to cancel immediately your *arrêtés* regulating sale of milk and cheese.'

Besides, the control may safely be dispensed with, for the tribunals retain a weapon against the producer. For Art. 10 of the law of 20th April 1916 provides penalties for those 'who . . . even without employing fraudulent measures, but for the purpose of illicit speculation, that is to say speculation not justified by the need of obtaining supplies or the requirements of industrial or commercial foresight, shall have brought about or attempted to bring about a rise of price . . . above that which natural and free commercial competition would have established.' This text, though not considered applicable, for instance, to the agreements entered into by manufacturers of fertilizers to eliminate competition, was, at least in certain towns, utilized against agriculturists and particularly against producers of milk and butter. It is undoubtedly the case that some of these were unjustly convicted; such convictions made a great stir in rural circles, and frequently led to a perceptible reduction in supplies.

In order to defend the consumer against those who, profiting by the inadequacy of the output, might endeavor to fleece him, the legislature went so far as to endanger supply. On the top of the technical difficulties that the farmer had to overcome, came the crushing burden of foolish legislation and blundering administrative interference.

## CHAPTER VI

### LEGISLATIVE AND ADMINISTRATIVE ACTION

#### 2. INCENTIVES TO PRODUCTION

IN hastily adopting a policy that aimed above all at keeping the price of agricultural produce as low as possible, the public authorities had thought of nothing but averting the wrath that profiteering would arouse. Historical memories, revived by the invasion, brought to their minds visions of speculators dangling from lamp posts. They did not foresee that it would be necessary to sustain production during several years of war and that the difficulties of sea transport and the invasion of the most fertile districts would, in the remainder of the country, call for an intensive effort on the part of agriculture. It is easy to be wise after the event.

The right policy in the circumstances would have been to encourage production, instead of forcing down prices, tying up farmers in ever stricter regulations, threatening and striking at them, and leaving them with all the risks while depriving them by fixed prices of all chances of profit. It was long before Parliament and Government understood this, and perceived that all the difficulties that hampered agriculture found their final expression in an increase in the cost of production. It was only when a decrease of the cultivated area furnished a demonstration of the straits to which agriculture was reduced, that an attempt was made to assist the farmers; but as the authorities would not adopt the one really efficacious remedy, an increase of prices, they could only have recourse to ineffective palliatives.

It was only in respect of the fifth harvest of the war, that of 1918, that the price of wheat was raised to two and a half times the pre-war price, although most of the factors in the cost of production had already increased in a far higher proportion. And yet the question of these prices was of prime importance. What was the use, for instance, of organizing a service for the distribution of fertilizers if farmers could not recover out of the sale of the crop the cost of procuring them? Or of enabling them to purchase motor ploughs, if the price of petrol rendered them too expensive to use?



No doubt the list of measures adopted with a view to aiding agriculture is a long one. It does not follow that they form an ordered and logical whole. They give the impression, like the rest of the war-time measures, of a legislation dictated by the circumstances of the moment, adopted from day to day to meet complaints and demands coming from every quarter. Even if one attempts to group and classify them under a few principal heads, they appear improvised and disconnected.

At the very outset, when it seemed to be a question of temporary difficulties to be met by altering the regulations affecting foreign trade, a few measures were taken which show that the farmers were not altogether forgotten. In the decree of 31st July 1914, prohibiting certain exports, are included hay, straw, and bran. It is significant that fertilizers are not in the list, save nitrate of soda, no doubt on account of its utility to the munitions industry. Anxiety is shown in particular to provide farmers with facilities for feeding their cattle. Decrees of August and November abolish import duties on oil-cake; in September the export of oil-cake and of brewers' grains is prohibited. The duty on imported beetroot seed, which mostly comes to France from abroad, is done away with in November. One feels in all this the total lack of preparation to meet an event that descended like a cataclysm upon administrative routine.

Fresh committees were hastily appointed to study new problems as they presented themselves. The fundamental question of rural labor was in the first instance linked with that of unemployment in the towns; it was the Ministry of the Interior that appointed (on the 6th August 1914) a commission 'to study questions relating to the food supply of the civil population, the measures to be taken with regard to rural labor, unemployment, relief and public health.' In the Ministry of Agriculture an organizing committee was set up on the 7th August to 'consider questions relating to the harvesting of the crops and to threshing, and in general any measures calculated to maintain the country's agricultural activities.' This was the moment when the President of the Council was addressing eloquent appeals to the women of France. Government resembled those good old ladies who in the ardor of their patriotism were making paper waistcoats and knitting mittens for the troops.

The first steps of some real service to agriculture were the release for a few days of some mobilized men in the depots, and a similar

measure as regards horses. For both in the matter of men and of horses, mobilization at the outset had taken more than was justified by the real needs of the Army. The efforts of the Ministry of Agriculture to restore to the land the laborers it lacked have been dealt with in an earlier chapter. It is unnecessary to do more here than record them among the useful measures adopted by the administration.

The series of Committees of Inquiry continued in 1915 and 1916. In November 1915 a permanent consultative Committee was organized to examine questions concerning agriculture and national defense; in June 1916, a Committee to study the question of the fruit industry; in October 1916 a Committee on motor cultivation, comprising experts, economists, manufacturers, and representatives of agriculture and the great agricultural societies; and in December 1916 a Committee to consider the means of increasing the yield of sugar per acre. While these Committees investigated, the state of agriculture was going with alarming rapidity from bad to worse. It was high time to get to work.

In order to establish a link between the producers and the State, which had taken control of most of the means of production, a number of 'Services' and 'Departments' were established. An *arrêté* of October 1917 instituted a Department of Agricultural Equipment, with the duty of supplying agriculture with implements and machinery and the stores necessary to their working. The department will 'bring about the formation of industrial, commercial and agricultural associations to facilitate production, importation, distribution and sale . . . it will secure a fair distribution of metals among manufacturers and control prices so as to avoid undue increases.'

In November 1917 a Central Forage Department was formed; in January 1918 a Flax Committee; a Committee on 'potato, Jerusalem artichoke, and dried vegetable production' distributed the seed required for these various crops. The Agricultural Chemical Service began work in January 1917. The Cereals and Vines Commission, founded in December 1917 to secure a more intensive cultivation, was charged with the enforcement of the law of the 4th May 1918 on the tillage of abandoned areas. We shall have to return later to the work of some of the above bodies.

The Minister of War had recognized towards the end of 1915 that the direction of all the active forces of the country involved the

military authorities, reinforced though they might be by the mobilization of civilian experts, in many difficulties. Consultative economic committees had accordingly been created in each Army Corps region of the interior zone, to serve as a link between the Ministry of War, the civil administration, and individual civilians of recognized authority in various branches of industry. They comprised divers civil and military officials and two representatives of commerce, industry, and agriculture from each department. Their mandate was 'to consider the measures adapted to maintain and increase agricultural, industrial, and commercial activity in the region, notably by a judicious employment of civil and military labor and the utilization of local resources.' They reported to the Minister of War.

A report on the Consultative Committee of the XVth region gives an idea of the nature of this war-time organism. It had its headquarters at Marseilles, its area comprised the eight neighboring departments, and it had a sub-committee for each department. 'The full Committee met normally on the third Monday in each month, and discussed the general economic situation and reports bearing on the principal questions within its competence. . . .' As regards agricultural questions in particular, we learn from the report that 'the Committee repeatedly concerned itself with the subject of labor supply. It obtained from the military authorities monthly returns of the exemptions and furloughs granted to agriculturists; it exerted itself to obtain the assistance of prisoners of war for field work, it endeavored to obtain facilities for the railway transport of petrol for tractors. Questions of fertilizers and other similar commodities were constantly before it. The complaints of farmers related most frequently to oil-cake, and the Committee tried to organise the supply in such a way as to satisfy, at the same time, agriculturists, manufacturers, and dealers, but it failed to get its conclusions accepted by the representatives of the manufacturers. It was largely instrumental in securing the introduction of the cultivation of Manitoba Wheat. It protested against the action taken by certain prefects in prohibiting the export of potatoes from their departments. It had before it very numerous complaints arising out of the requisitions of agricultural produce. The Committee was of opinion that only a general and complete regulation of all requisitions could secure greater equity in their distribution and a better



organization. Unfortunately the Public Authorities did not see their way to modify the existing system . . .' and so forth.

One hesitates between the two interpretations of which this official language, so modest in tone, is susceptible. Either these Committees resembled those innumerable other bodies in which gentlemen of importance met to exchange feeble platitudes; or else they really played a useful rôle, simplifying administrative complications, serving as a liaison between the scattered and ill-defined services that kept springing up every month under the stress of war and fairly bewildered the farmer who had business to transact. Probably their utility was in direct proportion to the competence and energy of the Commissariat officers who acted as their secretaries. They served above all to transmit the grievances of the several regions to the overcentralized administration in Paris.

The communal and cantonal agricultural Committees set up by the decree of the 2nd February 1916 were intended to meet requirements of a more direct and practical order. In the report which prefaces the decree, the Minister explains that 'the difficulties of tillage constantly increase' (with the summoning of fresh classes to the ranks) and that 'the final abandonment of numerous areas would be unavoidable if assistance were not given to farmers in the coming spring campaign.' With an unfounded optimism, and a disregard of village ways that can only be attributed to this optimism, the Minister, convinced of man's essential goodness and of its increase with advancing years, proceeds to entrust the direction of agricultural efforts to a sort of assembly of village fathers. 'Happily there remain,' he says, 'in each commune, elders whose competence is indisputable and who are surrounded by the general esteem; it is certain that by appealing to their patriotism and to their love of the soil, their unlimited and thoroughly disinterested assistance will be secured. Their energetic action, if it is understood and supported with conviction by the administrative, and especially by the military, authorities, will restore life to the whole countryside.'

Accordingly there was to be set up in each rural commune a permanent committee of agriculturists, elected by all the agriculturists of the commune. Their business was to organize agricultural work generally, and to secure the tillage of all lands. They were to advise and assist farmers, help them to get fertilizers, seed, draught ani-



mals, implements, loans of money; they were to be the medium for communicating their complaints to the authorities; and they were authorized to undertake on behalf of the occupiers the tillage of any lands that these were prevented from cultivating. Cantonal Committees were also set up to advise the communal Committees.

A few days later the Minister was obliged to write: 'I am advised that many prefects consider the scheme impossible of execution at such short notice; they point out that lists of agricultural electors cannot be prepared owing to press of other work . . . they advance other objections to which I need not refer. . . .' So instead of being elected, the members of the Committee are to be nominated by the municipal council assisted by three farmers.

We have no information as to the practical results of this institution. We shall probably not be far wrong in supposing that they were practically non-existent. Is it likely that such farmers as remained, who could get for themselves neither labor, fertilizers, implements, nor petrol, would increase their own difficulties by undertaking the tillage of neighboring lands? Advice and assistance on occasion they were ready enough to give; it was quite unnecessary to instruct them by decree to do so.

In reality, until the end of 1917, the central authorities could influence agriculturists only through the medium of the prefects, in other words, through the directors of agricultural services in each department. These services disposed of an extremely small staff, and very limited funds; where the directors could count on the support of the local agricultural societies, the general good will enabled them to achieve valuable results; but where these societies were weak, or political differences had given rise to friction, they were powerless to overcome the difficulties of the general situation.

Three Agricultural Commissioners were appointed by decree of December 1917, charged with the duty of developing the production of essential foodstuffs. We shall see what they effected when we come to examine what was done to bring derelict lands into cultivation.

#### *Encouragement of Motor Cultivation.*

In presence of so acute a crisis in the supply of labor, it was an obvious measure to increase the use of motor tractors as rapidly as possible. Unfortunately, in France in 1914, these were still in an

experimental stage. It is to the credit of the administration that experiments were not only continued every year during the war but developed, opened to the public, and extended to special problems such as the tillage of vines.

Without waiting until these machines were fully tried out, Government, in view of the urgency of the situation, undertook in October 1915 to subsidize any syndicates that might be formed with a view to motor cultivation. By a law of 2nd January 1917 a credit of 30 million francs was opened for the purchase of tractors and to meet, by way of advances, the cost of cultivation. Departments, communes, and agricultural societies that had suffered by the invasion were granted subsidies equal to half the cost of purchase, and might pass on tractors on the same terms to individual sufferers by the war or to groups of such, if they undertook to sow in the following year 125 acres in wheat and 250 in other cereals. Similar advantages were subsequently offered to all model farms, agricultural societies, departments, and communes.

But to make useful progress in motor cultivation, it was necessary to do more than reduce the price of the machine. Mechanics must be trained and petrol supplied. A training school was established on an estate of 325 acres granted by the owner, and various *arrêtés* determined the conditions on which allotments of petrol could be obtained out of the quantities assigned to the Ministry of Agriculture. As these were already inadequate, naturally it was the cleverest and most favored among the applicants who divided what was available.

Those who succeeded, first in obtaining tractors, then in getting them to go, found many disappointments awaiting them. The somewhat precipitate attempts to popularize these implements served above all to demonstrate the limitations to their practical and economical employment.

### *Distribution of Fertilizers.*

If the importance of encouraging the production of foodstuffs had been realized earlier, the supply of fertilizers to agriculturists on favorable terms would have been one of the first measures to organize. But the producers of chemical fertilizers are powerful people, who do not brook the interference of Government in their affairs. Even when the law of 20th April 1916 had included com-

mercial fertilizers, sulphate of copper, and sulphur in the list of commodities whose price might be controlled, the enforcement of this provision was delayed by a preliminary inquiry. On the 6th July the Minister writes to the prefects: 'I have come to the conclusion that it is expedient, before having recourse to measures that might have very unexpected results, to investigate in the first instance the quantities required, the supplies available, and the prices. It will not escape you that if we can begin by arriving at an understanding, we shall probably get more favorable prices. If manufacturers are guaranteed an outlet for their produce, we may hope that they will do what they can to reduce cost of production. . . . I hope thus, while satisfying all legitimate interests, to be able to avoid fixing the price. . . .' In other words the Minister who three months before had fixed the price of spring wheat at 33 francs, after having himself declared that its cost of production varied from 32 to 35 francs, shrank from controlling the price of fertilizers. It is a sufficient comment to remind the reader that by the autumn of 1916 the area under wheat had diminished by over two million acres.

This manifestation of the farmer's discouragement made Government interference inevitable. An Agricultural Chemicals Service was formed by *arrêté* of January 1917 and directed to investigate the means of increasing the production of agricultural chemicals, to make good deficiencies in the home output by purchases abroad, and to prevent speculation in regard to these commodities by control of prices, requisition, or purchases. The Service was converted into a Central Department by the law of 20th June 1918 and provided with a credit of 100 million francs as working capital.

The difficulties encountered by this Service or Department were no doubt all the greater for the delay that had occurred in setting it up, and while it more or less succeeded in meeting recognized requirements for sulphur and sulphate of copper, it failed to do so as regards fertilizers. The inadequacy of supply made it impossible to solve satisfactorily the problem of distribution. An attempt was however made to introduce some degree of order, through local offices in each department, where the demands of farmers were collected and communicated periodically to the central office; the latter distributed the supply available in proportion to requirements, subject to the comparative importance to the country's food supply of the various local crops.



*Sugar-beet Contracts.*

The administration intervened between sugar manufacturers and growers of sugar-beet to help the latter to obtain adequate prices; but its method was such as to leave us in doubt whether to include this administrative intervention among the steps taken to encourage agriculture.

A circular of February 1916 explained that a special committee set up in order to investigate the conditions of beet-growing, after assessing the cost of sowing, tillage, transport, and general expenses, had come to the conclusion that the price of a ton of beet of 7.5° density<sup>1</sup> should be fixed at least at 47 francs for the 1916-1917 crop. The Minister accordingly requests prefects 'to use every effort to secure that this price shall be inserted in contracts' between manufacturers and beet-growers. Anxious, it would seem, as to the way in which so audacious a step will be received by the sugar industry, he hastens to add: 'No doubt we are dealing with private contracts; but, in the circumstances, the public interest is at stake, and we are of opinion that the administration ought to intervene to conciliate the parties and promote an understanding.' Manufacturers at the same time are given guarantees against certain war risks. 'We may therefore hope,' adds the circular, 'that manufacturers who, moreover, obtain special advantages as regards labor supply and whom we are asking not to sell sugar at a higher price than 75 francs the quintal, will endeavor to find a basis of agreement with cultivators.' But they were in no way tied. No regular control obliged them to pay to the beet-growers the price that the Government considered equitable, nor to refrain from selling sugar at a higher price than it asked them to accept.

A circular of February 1917 proposed for the ensuing crop a price of 55 francs for beet and 80 francs for sugar, and a circular of March 1918 a price of 78 francs for beet and 105 francs for sugar.

*The Cultivation of Derelict Land.*

In a country of small holdings such as France, where normally every plot of ground is cultivated, the sight of lands left untilled and abandoned was well calculated to stir public feeling. When it

<sup>1</sup> *I.e.*, specific gravity of the juice produced by the crushing of the beet.



was found, after the autumn of 1915, that many thousands of acres had been neither ploughed nor sown,<sup>2</sup> several proposals for their cultivation were laid before the Chamber.

The law of 6th October 1916 empowered mayors to requisition uncultivated lands, and also the buildings, draught animals, and motor tractors available in their communes. The requisition had to be preceded by notice to the farmer calling upon him to cultivate his land. Failing a satisfactory explanation of his failure to do so, the mayor could hand over the area for cultivation to the Agricultural Committee of the commune. The communes were authorized to borrow from the Agricultural Banks at 1 per cent in order to meet expenses. Seven-tenths of the profit, if any, on the cultivation, was to accrue to the farmer, if he had been mobilized, two-tenths to the commune, one-tenth to the State; if he had not been mobilized, his share was reduced to five-tenths, the commune taking three-tenths and the state two-tenths. In the event of loss, if the farmer had been mobilized, the loss was borne to the extent of two-tenths by the commune and of the remainder by the State; if he had not been mobilized, he had to bear three-tenths of the loss, the commune two-tenths, and the State five-tenths. Rent of requisitioned land was not payable if there was no profit on its cultivation.

Needless to insist on the many objections of principle to which this law gave rise and on the practical difficulties in the way of its application. Curiously enough Parliament was aware of these, though it refused to take them into account; as the Minister said in his circular, 'it was impossible for the Government and the public authorities to remain with their arms folded and confine themselves to platonic appeals to individual enterprise.' The very circular that sets forth the urgent necessity of applying the law indicates most of the objections that were to render it unworkable: the direct infringement of the rights of the landowner; the reluctance of the mayors to assume the heavy responsibility involved; the technical difficulties in the way; the financial risks that the communes would incur; the opportunity that the scheme offered to anyone wishing to avoid the burden of requisitions, to claim that circumstances had obliged him to abandon his farm.

<sup>2</sup> There was a decrease of 1,850,000 acres of winter grain alone, as compared with 1914, in the part of France not occupied by the enemy.

In its anxiety 'to do something' the legislature had passed a law that might have done a great deal of harm. But the peasantry were too wise to enter on a path so beset with difficulties. They knew that it was not from 'idleness or selfishness' that certain lands had remained uncultivated, and that it was not the best plots that had been abandoned. Was there any advantage in attempting to restore second-rate lands to cultivation at the cost of endangering the crops on those farms where, notwithstanding every sort of difficulty, cultivation had continued? It was found, no later than in 1917, that the law of October 1916 had met with the complete failure to which it was foredoomed.

An attempt was then made to encourage motor cultivation, and a credit of 30 million francs, as has already been stated, was opened for the purpose. Here too expectations were disappointed. Nor did the coöperation of the Ministry of Agriculture in the carrying out of farm work on behalf of departments, communes, agricultural committees, and private individuals, which was authorized by the law of 7th April 1917, lead to practical results of any great value.

But while the extent of derelict land was continuously increasing, there existed scattered over the country a number of agriculturists, refugees from the invaded regions, who would have farmed them had they possessed the means. Accordingly a new law was prepared, that of the 4th May 1918, which, while it maintained the faculty of requisitioning abandoned land provided by the law of 1916, entrusted the cultivation of such land to farmers desirous of undertaking it and selected by the prefect; it declared that in the event of loss no responsibility should be incurred by the farmer, and, most important of all, it placed loans without interest at the disposal of these farmers, opening a credit of 100 million francs with this object. This was tantamount to saying that in order to obtain the increase of tillage that difficulties of food supply had rendered so necessary, expense would not be considered. One of the Commissioners of Agriculture above referred to (p. 105), M. Compère-Morel, was charged with the application of the law. Prompt action was his guiding principle throughout the year during which he exercised this function, and by constant pressure on the departmental committees he endeavored to increase, in the shortest possible time, the area under grain. 'The rapidity with which action had to be taken,' says the Ministerial report of 18th June 1920, 'coupled with the inexperi-

ence of some of the new bodies concerned . . . led to a very wide interpretation of the law and to the grant of loans without, in some cases, adequate security for their reimbursement.' During the period in question 1617 loans for 57,204,586 francs were granted; and the number of acres brought into cultivation, according to figures no doubt not very carefully checked and based solely on the declarations of the borrowers, was about 250,000. It was not much, but it was something. The experiment, however, proved rather costly: though the loans have been reimbursed to a far larger extent than at one moment seemed probable, there is still a likelihood of a deficit of about 10 million francs. This means that the areas cultivated in 1918 cost the State at least 40 francs an acre for a crop that, considering the indifferent quality and condition of the lands, cannot have been a large one. Even if it served no other purpose, farmers, thanks to this subsidized cultivation, will at least have found on demobilization their land in better working condition than it would otherwise have been.

In the mass of laws, decrees, *arrêtés*, and circulars issued between the mobilization and the armistice, others are to be found that were intended to assist agricultural production: for instance those dealing with the issue of coal for threshing machines, with the distribution of seed, etc.; and reference may be made to the development of allotments, stimulated by propaganda of a sentimental rather than an economic character. It cannot be said that the public authorities remained indifferent to the difficulties by which farmers were overwhelmed. The efforts made to ease their burden were not always successful; at times they even aggravated it, by imposing on the farmer declarations, controls, and useless time-wasting formalities. Ministers charged with the administration of the country's agriculture during these difficult years have, nevertheless, frequently praised in public the merits and energy of their collaborators. We may share their satisfaction—on one condition, that we are not required to balance what they did against what they left undone.





PART II

THE CONSEQUENCES OF THE WAR



## CHAPTER VII

### CASUALTIES AMONG THE RURAL POPULATION AND THE DEARTH OF LABOR

THE dearth of labor, which is really serious in three-fourths of the departments of France, is, among the consequences of the war, that which gives rise to most anxiety among farmers. No complete solution of the problem appears possible.

In the absence, up to now, of more exact data, it would seem that, of 3,700,000 agriculturists who were mobilized, 673,700 were killed, a little more than one-half of the total death casualties. It is probable that, among the crippled and wounded, some 500,000 peasants must be reckoned as no longer available for work, or as only contributing to agricultural production in a very reduced degree.

On the other hand the requirements of industry, on the morrow of the war, have set up a renewed exodus from the country to the towns; its dimensions cannot be stated, but it may be supposed to have involved half a million workers, of both sexes.

The census of 1921 showed a reduction of rural population of 1,973,000; so that it does not appear extravagant to estimate the reduction in the agricultural population properly so called at one and a half millions. As in 1911 the total number of agricultural workers, farmers, and laborers of both sexes had scarcely exceeded eight and a half millions, it is easy to appreciate the magnitude of the loss.

The necessary consequence of this situation has been a rise in wages. The employers, who never can foretell what price their produce will command, have granted this with reluctance, and have succeeded in keeping agricultural wages substantially below the rates prevailing in the towns, thereby contributing to the exodus of rural laborers.

We have been furnished with certain official data regarding the rise of agricultural wages, collected in the same manner as those quoted in an earlier chapter (page 51). They do not lend themselves readily to systematic comparisons, and serve rather to show the great disparity in the conditions and wages of agricultural labor in different departments. It may however be inferred from

them that average daily wages rose from 3 frs. 61 in 1915 to 11 frs. 07 in 1920, an increase of 294 per cent; and that average annual wages rose from 1162 francs to 2925 francs, an increase of 255 per cent. Compared with the wages of 1913-1914, which were rather lower than those of 1915, it may be said that those of 1920 had trebled for the day laborer, and had been multiplied by  $2\frac{3}{4}$  for farm servants on yearly engagement. There was in 1921 a further rise in those departments where it had previously been inadequate, but since that date wages have remained stationary, with a slight tendency to fall, due to diminished activity in certain other industries.

It is to be noticed that the above increases in wages were obtained only after strikes had occurred. These had for their object, and succeeded in obtaining, not only a higher remuneration but better conditions, notably as regard hours of labor (limited to nine in winter, ten in summer, and twelve in exceptional circumstances), a weekly day of rest, and the promise of better housing. Strikes in the Landes and Basses Pyrénées also effected an improvement in favor of the *métayer* in the ancient local conditions of his tenure. Fairly numerous strikes also occurred in 1920 and 1921 in the vine-growing region of Languedoc; but as the laborers' unions are here of long standing, discussions between committees of employers and workers are easily arranged, and several agreements were signed without stoppage of work, and in various places recourse was had to conciliation and arbitration. It should be observed that all these strikes occurred only in certain districts where a proletariat class had grown up as a result of the industrial character which agriculture had there assumed. In other parts of France, where the agricultural laborer is closely assimilated to the small landowner in his mode of life and through some degree of participation in individual property, there was no question of strikes. In these the demands of the laborers were settled by the ordinary process of bargaining with the employers.

In general there has been since the war no marked progress in the development of the trades union movement among agricultural laborers. Indeed, it would be difficult to establish a powerful organization among a proletariat that is constantly disintegrating as its members break away, either to become landowners or to join the industrial proletariat in the manufactories.

An effort was naturally made to attenuate the dearth of labor by



increasing the immigration of foreign workmen. To the Spaniards and Italians, who alone could come during the war, were now added Belgians and more especially Poles. Owing to the lack of coördination among the various immigration authorities and to the competition of industrial demand, this effort did not, so far as agriculture was concerned, yield very satisfactory results. Figures have been published showing that the foreign laborers secured by agriculture from all the above sources were as follows:

In 1919	62,123
In 1920	70,912
In 1921	55,902
In 1922	71,925
	<hr/>
	260,862

In the same period industry obtained:

In 1920	129,803
In 1921	24,490
In 1922	107,607

As the reduced number in 1921 corresponded with a decrease in the industrial demand, it is evident that here again manufactures were able to compete successfully with agriculture.

But all the immigrants admitted as agricultural laborers do not remain in agricultural employment; some moreover prove unsatisfactory. Many also, like the Belgians and Spaniards, come only for a few weeks at harvest time, and these may have been counted several times over. We may take it that 150,000 laborers is the maximum that immigration has furnished to agriculture, and this is only one-tenth of the required number.

Proposals have been made with a view to the reorganization of the various services controlling the immigration of labor, but these have met with considerable opposition, notably from the agriculturists themselves, who would prefer to keep the matter in the hands of their own professional organizations. Apprehension has also been expressed of the consequences of the introduction into the country of the large number of foreign workmen that a better organized immigration service might bring. But apart from the fact that this peril is certainly not immediately impending, we have a choice of evils: in default of an increased birth rate, which there are no

grounds for anticipating, France must either have recourse to immigration or she must be content to see an ever greater area of land going out of cultivation. For the other solutions that have been suggested of the labor problem, such as improved housing conditions, would at best serve to retain on the land laborers at present available and would not increase their number.

It is felt that something ought to be done; but, in general, cultivators are impressed, above all, with the difficulties presented by the problems of all kinds that face them. Improvement of housing conditions is checked by the high cost of building; improvement of wages by the low price at which agricultural produce sells. The suggested introduction into agriculture of the eight hour day, and of other regulations adopted in manufacturing industry, has met with vigorous opposition from the leading agriculturists. They would have it recognized that in view of the peculiar conditions of farm work, social legislation should be extended to agriculture not in the form of rigorous regulations, but in that of recommendations and advice, and that agricultural societies should be charged with the task of getting its principles adopted by means of steady propaganda. This is evidently not the most expeditious way of solving the difficult problem of labor supply.

But as at best it admits of no immediate solution, attention should be turned to the possibility of reducing the demand for labor without at the same time reducing the area of the arable cultivation. Something can here be done if all the resources of agricultural science are brought into play. Labor-saving appliances can, with the help of coöperation, be utilized even on small holdings, especially if scattered plots are redistributed and grouped together; and technical instruction and organization can help in the solution of the problem.

## CHAPTER VIII

### REDISTRIBUTION OF PROPERTIES AND HOLDINGS

A LARGE number of purchases of land were effected by peasants in 1919 and 1920. But the facts have been much exaggerated owing to an erroneous inference from the amount of tax levied in 1919 in respect of sales of real property. It appeared from the figures of the tax that sales had taken place to the value of 7824 millions of francs as compared with 2600 millions in 1912 and 1913. But it was overlooked that numerous transactions were completed immediately after the armistice which had been in suspense during the war; in fact, the average for the period July 1914 to June 1920 shows little increase over the earlier years. It was also overlooked that the figures quoted covered sales by auction occasioned by war casualties, and sales in the liberated regions, where landowners too often sought to employ in industry the compensation that ought to have gone to agriculture. Finally, it should have been remembered that the increase in the yield of the tax was in part due to the increase in the price of land.

All purchases of land do not, as has been suggested, necessarily create new landowners. Peasants bought plots that suited them from neighbors who sold on migration to the towns; and farmers bought the holdings that they had rented; but these operations did not add to the number of the landowners and may even have reduced it. The number could only have been increased if large estates had been broken up, but the high cost of construction made it impossible to put up the houses and farm buildings which in that event would have been required. The large estates were bought by dealers and manufacturers, whose profits from the war far exceeded any known to the agriculturist.

Nevertheless, peasants did buy much land on the morrow of the armistice, nor is there anything surprising in this. When prices rise the peasant thinks that they will remain high and that the moment is favorable for enlarging his property; he knows of no better investment for his savings. On the other hand, owners who previously had leased out their land surrendered it without reluctance, for they perceived that difficulties of labor supply and increase in costs of

production would bring them much worry and little profit. Accordingly many farmers and *métayers*, at least in certain regions, purchased the holdings that the owners could no longer keep. This became known and created a strong impression, and as usual the facts were much exaggerated.

A student of the question who has already been quoted<sup>1</sup> estimates that, from 1918 to 1922 inclusive, the purchases of rural real estate did not reach a total of six billions of francs, which represents 6 per cent of the value of the whole land of France. From this it may be concluded that the distribution of ownership has not been profoundly modified in favor of the peasantry.

Another change deserving of attention has however taken place in the economic situation of the peasantry. Not only was it said that they had acquired the freehold of their farms, but also that they had paid off their debts. Here also there appears to have been an overestimate and an undue generalization of the facts. M. Caziot, who does not share 'the belief in the happy liberation from mortgage debt so complacently talked about,' points out that the total of urban and rural loans of the Crédit Foncier rose from 2497 millions of francs in 1914 to 2741 millions in 1921. This does not prove much, because the Crédit Foncier lends less and less to agriculturists; but such evidence as it affords is confirmed by that of notaries and registrars of mortgages. Since we have not even an approximate idea of the amount of the former rural mortgage debt, we cannot say that it has been paid off. Nevertheless it is certain that the peasantry did pay off a large proportion of their debts. Like other debtors they paid off in paper what they had received in gold; and this is the most certain profit that they derived from the war.

But many of them were soon involved again. Yielding to their desire for land, they bought more than was prudent: they found tillage, live stock, and implements costing more than they had foreseen; the price of produce fell, and now they are once more in debt. But the situation is far less disquieting than it was before the war, for the load is less heavy and the development of mutual loan societies enables farmers to borrow on much easier terms than formerly.

<sup>1</sup> P. Caziot, *Les bénéfices agricoles et les charges fiscales de l'agriculture*. Report to the XIth International Congress of Agriculture, Paris, May 1923.



The eagerness of the peasantry to buy land and the depreciation of the currency might have been expected to lead to a marked rise in the price of land. One is surprised to find that this has not occurred, or, more accurately, that the rise which has occurred is not proportionate to the depreciation of money. The prices of land, expressed in gold francs, are substantially lower today than they were from 1910 to 1914. This is due to numerous and powerful influences operating in favor of a fall in value. The most powerful no doubt is the crisis in labor supply, with its inevitable consequence, the rise in wages. Among the others are the diminution in the rural population and the exodus to the towns, which have had the same effect as if sellers had become more numerous and buyers fewer. The increases in cost of cultivation and in taxation, which do not seem to have reached their maximum, make the acquisition of land unattractive, and prudence dissuades from any purchase where building work or repairs are required. Finally the amount of capital needed for farming is constantly on the increase.

The nominal rise in the value of real property that occurred in 1919 and 1920 varied greatly in amount in different regions. In some it hardly reached 25 per cent, in others it exceeded 200 per cent; on the average it may be taken at 50 per cent. The highest prices were paid for vineyards, and bear witness to the intoxication that seized upon the small vine growers when they saw wine fetching more than 100 francs the hectoliter. Next came meadows and woods. Arable land only came fourth. Besides, the rise was of short duration. The fall in the prices of cattle and grain brought it to an end in 1921.

As regards systems of farm tenure, there are now probably fewer farms held on lease, since many farmers and *métayers* have purchased their holdings. It is interesting to note that towards the end of the war, when so many illusions were prevalent as to the profits of agriculture, several attempts were made by companies to group together a number of small farms into a single very large undertaking of an industrial character. Nearly all of these met with sensational failure, involving in one case the loss of a large sum advanced by the State. 'In a period so favorable as 1918-1921,' says M. Caziot, 'with profits as high as is generally supposed, it ought to be possible to point to a few companies that succeeded in paying

moderate dividends, or at least in maintaining their capital intact; I believe it is impossible to find one in France.'

In the southwest the system of *métayage* suffered severely from the labor crisis and very many holdings found no tenants. Fortunately it proved possible to divert in this direction a stream of emigration which was beginning to develop from Brittany to Canada. Belgian and Swiss agriculturists have also found their way to these abandoned holdings.

Rents of farms have not risen appreciably, because the rise in the price of produce—the price, that is, as paid to the producer, not to the retailer—was of short duration; and profits would not admit of the payment by farmers of a much heavier charge. The capital value of the land was estimated before the war at 70 billions of francs; today it is about 105 billions of francs. This sum, which is far from representing the capital expended to bring the soil into a state of production, is based solely on the rental which can be drawn from it.

All the above phenomena point in the same direction. The war has effected no profound change in the organization of property and farming. Peasant ownership has developed. The proportion of farms cultivated by their owners has probably increased. Attempts at capitalistic concentration of farms have proved unsuccessful. In a word, the war has only hastened a process of evolution that might previously be detected, but the pace of which was so slow as to render it hardly perceptible. As a result of purchases of land by peasants, farmers, and *métayers*, we now have a marked expansion in peasant ownership.

## CHAPTER IX

### RESTORATION OF THE DEVASTATED AREAS

THE strictly equitable principle that war damages suffered by private individuals should be made good by the State was laid down at the very commencement of the war by the law of the 26th December 1914, and repeated by that of the 17th April 1919, the charter of the victims of the invasion. We are not concerned here with the question of the recovery of the cost from the enemy, but only with the progress achieved in making good the damage inflicted on agriculture, the extent of which we have already attempted to estimate.

A Parliamentary report of the year 1923 gives the following data :

	<i>Extent of damage at Armistice</i>	<i>Situation on 1st Jan. 1921</i>	<i>Situation on 1st Jan. 1922</i>	<i>Situation on 1st Jan. 1923</i>	<i>Work remaining to be done</i>
Land to be restored (acres)	8,266,000	7,035,000	7,250,000	7,545,000	721,000
Trenches to be filled (cubic meters)	333,000,000	218,934,000	259,793,000	280,102,000	52,897,000
Barbed wire to be re- moved (square me- ters)	375,000,000	249,014,000	275,544,000	287,200,000	87,800,000
Arable land to be re- stored (acres)	4,810,000	2,518,100	3,687,000	4,245,500	563,197
Agricultural buildings provisionally con- structed or repaired	.....	42,150	50,227	50,700	.....
Agricultural buildings repaired	.....	15,682	30,430	75,260	.....
<i>Replacement of live stock</i>					
Oxen	834,000	129,000	473,000	523,000	.....
Horses, asses, and mules	375,000	95,000	258,000	299,000	.....
Sheep and goats	890,000	118,000	298,000	407,000	.....
Pigs	331,000	3,561	136,000	184,000	.....

These figures testify to the remarkable effort that has been made to repair the disaster. As regards the restoration of the soil, peasant labor has done wonders ; for it is especially to the initiative of those concerned that the credit is due for so rapid a resurrection. The Government admits it, for M. de Lasteyrie's report, after enumerating the various Ministries that have successively been charged with

the business of restoration, and describing the urgent work directly carried out by them and the stocks of material of all kinds collected for the use of the sufferers, proceeds as follows:

‘But the intervention of the State should have come to an end as soon as it ceased to be indispensable, for then it at once became harmful, hampering and restricting the beneficent play of personal activities, whether of individuals or groups. In view of the criticisms to which it was subjected, the Government undertook to reduce the part played by the State to the absolute minimum, and it may be said that to-day the rôle of the Ministry is limited to assessing damages, seeing to the issue of compensation certificates, and supervising the employment of indemnities on reconstruction. Private enterprise, practically unaided, is to-day carrying out the material work of restoration.’

Reading this with the stern suspicion that should always attend the perusal of an official account of administrative performances, one finds in it an admission of the blunders, delays, red tape, and absurdities that the victims of the war have laid to the charge of the Departments entrusted with their interests. It is the reconstruction of rural dwelling houses and farm buildings that is most defective, and it is here that agriculture is most hampered. The Minister recognizes this also: ‘The reorganization of public works (railways, etc.) is in a good way of completion . . . the reorganization of agriculture, it is true, is less advanced. The principal work remaining to be done, which will still occupy a long period, is the reconstruction of dwelling-houses. It may be reckoned that nearly the whole of the population . . . has returned to the liberated regions; but . . . nearly a third of it is lodged in temporary or semi-temporary huts!’

From a report submitted to the Statistical Society of Paris, it appears that the number of agricultural buildings destroyed or more or less damaged had been estimated at 312,786 (of which 137,334 had been completely destroyed) and that on the 1st October 1922, 130,457 had been made available, of which 34,101 were of a provisional character, 74,098 had been repaired, and 22,258 had been entirely rebuilt. But building work had been carried on with special activity in 1922, for whereas 130,457 buildings were finished by the 1st October, at the beginning of that year only 83,296 buildings had been made available. Thus at the latter date two-



thirds of the required buildings were still lacking, a fact which gives some idea of the conditions under which cultivators had to work on the restoration of their lands.

Notwithstanding the astonishing energy displayed, the traces of the war are still far from having been effaced. The area under wheat in 1922 in the devastated region had only reached 86.6 per cent, that under oats 84.7 per cent, and the area of potatoes 81.7 per cent of the corresponding areas in 1913. As regards sugar-beet and beet for distillation, these still occupy only 35 per cent of their former areas, in consequence of the destruction of the factories and the dearth of labor: a disquieting fact, as the north owed its high yield of wheat to the good tillage ensured by beetroot cultivation. Taking the mean crops of the last two years, the total yield of wheat in the same regions had reached 80.1 per cent, that of oats 67.3 per cent, that of potatoes 99.5 per cent, that of beet-sugar 48.1 per cent, and that of beet for distilling only 17.1 per cent of the corresponding yields for 1913.

Live stock had in 1922 been restored to the extent of 78.7 per cent of the oxen, 42.5 per cent of the sheep, and 65.09 per cent of the pigs, which had been lost. Replacement has probably been delayed by the lack of farm buildings.<sup>1</sup> In this reconstitution of the country's live stock, it may be noted that deliveries by Germany have not fully come up to the stipulations of the Treaty of Peace. In lieu of 119,663 horses of all kinds, only 83,343 had been handed over by the 20th October 1922, and the provisions as regards age, breed, and size have not been adhered to. In respect of oxen, likewise, there are heavy deficiencies in the numbers delivered, and the conditions as to age and size have not been observed. The deliveries of sheep have been closer to the stipulations, but still defective.

The regular annual progress made by agriculture in the devastated regions since the end of the war might lead one to suppose that in a very few years the pre-war situation will at least be reëstablished. There is, on the contrary, ground for thinking that complete restoration, so far as agriculture in particular is concerned, will never be effected. In the first place the population has diminished. According to the report to the Statistical Society quoted above, it appears to be stabilized at 86.5 per cent of the pre-war

<sup>1</sup> The detailed figures on which the above percentages are based will be found in the appendices.

figure; for if there are a few hundred thousand refugees who may yet return, the present population of the region includes a large number of workmen of the building trades who will leave when the work of reconstruction is finished. Further, to whatever extent the 'red zone,' the area incapable of restoration, may ultimately be whittled down, some appreciable reduction of agricultural land must be reckoned on this account. Other areas that are again in cultivation have had their production for years to come impaired, from the subsoil having been brought to the surface. And, finally, it must be admitted that the law on the compensation of war damage has frequently operated to the detriment of agriculture.

Keen discussion arose, during the debates on the draft of this law, regarding the employment on the restoration of the damaged property of the compensation awarded. Some wished such employment to be obligatory, some were for leaving it optional. It was finally left optional, but was made so advantageous that practically all concerned opted for it. For it was only those who employed their indemnity on restoring their property who could obtain cash payment, and, what was most important, might receive 'supplementary expenses,' that is to say, the difference between the pre-war value of their property and the cost of reconstruction. The replacement, however, of real or personal property by identically similar property was not always practicable or economically desirable. Accordingly 'identical' replacement was not insisted upon. All that was required was that the compensation should be spent by the sufferer, or merely on his account, within a radius of 50 kilometers, or, so far as agricultural undertakings were concerned, within the whole area of the liberated region. There thus sprang up a traffic in war claims that attracted a large number of speculators and brokers, a traffic scandalous by reason of the profits accruing to these vultures of the battlefield, of the public spectacle of a just law frustrated of its purpose, and of the deplorable social consequences that may be foreseen. For these 'war claims' bought from peasants do not as a rule pass into the hands of agriculturists. The speculators are manufacturers or business men who employ the indemnities to build factories or town houses to be let. Their transactions, even if perfectly honest, are carried on at the expense of the agricultural industry of the devastated regions. And the figure of this industry must, at least in some measure, be affected, since it is asserted that the traffic in ques-

tion has been carried on extensively, though precise information is not available.

On the other hand, considerable benefits will result where it has been possible to apply the law of the 4th March 1919 relating to the delimitation and reappportionment of landed property. The law was designed to meet the needs of those communes on the military front where the boundaries of individual plots of land have in a general way been obliterated or confused. Under this enactment communal commissions are set up, composed of various officials and of six landowners, two of whom do not belong to the commune, charged with the duty of finding and restoring boundaries of landed properties, and of bringing about voluntary exchanges and reappportionments. The commission is authorized to propose, in preference to the reëstablishment of the old boundaries, the reappportionment of a defined area; and a majority of the landowners, representing more than a half of the land in question, may make the same application. The reappportionment, if approved, is ordered by the prefect.

It may be said that the law has worked satisfactorily. As early as June 1922 it was reported that reappportionments had been carried out in 235 communes. In the department of the Somme, for instance, 72 communes requested the reappportionment of areas covering 129,000 acres and comprising 180,000 separate plots.

This process of reappportionment has shown to farmers the value of coöperation. Coöperative Societies in the devastated areas have been cultivating land, supplying agricultural implements, and replanting vineyards. If their members are wise enough to keep them up and are not in a hurry to return to individualistic methods, they will no doubt see an appreciable fall in their costs of production.



## CHAPTER X

### DECONTROL

AMONG the pleasant illusions called up by the joy bells of victory was the ingenuous belief both of consumers and producers that restrictions, controls, and other administrative vexations would promptly come to an end. But the miseries of war were far too substantial for this. The climb from the abyss was long and painful; it was effected slowly, with jolts, mistakes, and at times even with relapses.

Public sentiment, however, was too strong and had to be obeyed. The first relaxation of the strict food control took place on the eve of the Christmas holidays; it allowed the manufacture of gingerbread and macaroons. Then came a decree authorizing the slaughter of pork during the Christmas and New Year holidays. The decree of the 4th January 1919 abrogated certain restrictions on the manufacture and sale of condensed milk, tapioca, and similar commodities, and on the sale of eggs, rice, peas, and imported haricot beans. At the same time was suspended the control of the hours during which hotels and restaurants might be open and of the price of meals, together with the prohibition on the consumption of butter, milk, cream, and cheese. The sugar ration was increased on the 3rd February 1919 by 50 per cent, but the supply of sugar in restaurants, etc., continued to be forbidden so long as sugar rationing continued.

Other restrictions were gradually removed, notably on the trade in oil-cake and potatoes, and on the consumption of pork, this last being facilitated by importations of refrigerated and salted meat.

The grain harvest of 1918 had been better than that of 1917 and imports were no longer hampered by submarine warfare. On the 27th March 1919 the Minister of Agriculture tentatively suspended all requisitions of maize, buckwheat, millet, and beans; these were allowed to circulate freely, but their maximum prices were maintained.

Although, in the following months, agriculture was released from a few more of the bonds by which it had been impeded, the Ministry prudently retained the control of the cereals used in making bread.



By decree of 6th May 1919 farmers were required to notify the areas sown in wheat, rye, meslin, barley, and oats. Nevertheless, after authorizing in June the free importation of cereals other than wheat and meslin, the Government in July withdrew all control on beans and cereals other than wheat and wheaten flour 'intended for the manufacture of bread.' A few days later, when the free circulation of forage all over the country was conceded, the process of decontrol that had been taking place during the last six months appeared well advanced.

But a decree published on the 12th September 1919 reëstablished the fixed prices and control of meslin and rye (grain and flour) as formerly enacted on the 30th November 1917. The reason was that the difficulties of food supply were now presenting themselves under a new aspect. Though scarcity was no longer to be feared, consumers viewed with alarm the daily rise in the price of commodities. Competition did not operate to keep them down, and merchants took advantage of their clients' panic to notify fresh increases. The reopening of international transactions brought to light the depreciation of the currency, which had hardly been noticed during the war.

Thus the teachings of experience had served no purpose. The Minister himself had acknowledged them in a circular: 'the arbitrary fixing of maximum prices, supplemented by requisitions, had the immediate result of suspending the flow of commodities to the market, for they menaced and discouraged the producer.' But no sooner had the difficulties reappeared, than he again had recourse to fixed prices, without appearing to perceive that conditions were more than ever unfavorable to their enforcement. The freedom restored to commerce had had the natural effect of raising the price of rye and bringing it nearer to its true value. To restore the price of 1917 meant reducing production, whereas salvation was evidently to be sought in stimulating to the utmost the renewal of agricultural activity.

Measures of restriction simultaneously put in a fresh appearance. The decree of 10th October 1919 prohibited the consumption of fresh milk or cream on premises open to the public; that of 17th February 1920 prohibited the sale of pastry and biscuits on two consecutive days in each week; the number of dishes to be served or consumed at a meal was restricted by another decree of the same

month. Two laws of October 1919 reënacted a series of measures adopted during the war relating to the national food supply, including that of April 1916 which imposed penalties on illicit speculation, notwithstanding the vigorous protests that had been aroused by its indiscriminating application to small rural producers.

Farmers, who had thought that victory would bring them freedom, thus saw themselves tied up afresh in administrative fetters; from that time they never ceased clamoring for the suppression of all controls. The return to commercial freedom was indeed included in the Government's program and Ministers had early in February 1920 declared in favor of the abolition of all fixed prices so far as concerned the grain to be harvested that year, though the Government's monopoly of imports would be retained. Nevertheless, on the representation of the Under Secretary for Food, the control was maintained for the grain of 1920, though a substantial increase in the prices payable reduced its evil consequences.

The decree of the 12th August fixed the price of the quintal (220 pounds) of wheat at 100 francs, that of meslin at 90 francs, and that of rye at 80 francs. So unheard-of a price as 100 francs a quintal naturally aroused furious protests in circles where the interests of the consumer are defended without much concern for justice to the producer. As a matter of fact, it was scarcely equivalent to the enormously increased cost of production, to which we shall have presently to return. An inquiry carried out by the National Confederation of Agricultural Associations in all districts where wheat was grown demonstrated that for an average yield, such as the bad state of the land made it difficult to obtain, the cost of production of a quintal of wheat was from 93 francs to 127 frs. 25. On the other hand, owing to the rise of the world price and the high cost of freight, the quintal of imported wheat, delivered at the French port, was costing the country 150 francs or even considerably more.

So the farmers' desire for a return to freedom was not diminished by this price of 100 francs. Freedom was at last restored to them in 1921: the free circulation and sale of French cereals was authorized in May of that year, and the free importation of foreign wheat and meslin from the 1st August; and provision was made for the purchase by the State, at the fixed price, of stocks of 1920 wheat still in the hands of farmers.

This date of the 1st August 1921 may then be noted as one of those which mark, for agriculture, the end of the war period. Not that the consequences of the war ceased to be felt from this date; far from it. But it marked the end of fixed prices and controls. The freedom thus restored to farmers did not, it is true, wear a very smiling aspect. It had been denied to them when the price of foreign wheat exceeded 150 francs; it was conceded when a fall had occurred in the American market and in the cost of freight; the first prices recorded after the harvest of 1921 varied between 73 and 80 francs, and fell to 67 frs. 50 early in February 1922. The liquidation of the excessive stocks accumulated by the Food Department had for long a very depressing effect on prices.

The renewal of international dealings, like the removal of control, was marked by a whole series of vacillations. Decrees of authorization were followed by decrees canceling authorization, and prove that the responsible Ministers were not open to a charge of excessive obstinacy; perhaps they also testify to the influence that interested dealers and manufacturers know how to exert on government departments.

When the war came to an end, absolute prohibition of all imports was in force. Early in 1919 a large number of commodities were released from this interdict, including most forms of agricultural produce: horses for slaughter, cattle, fresh and refrigerated meat, eggs, milk, cheese, butter, cereals, potatoes, seeds, etc. The object was to restore its economic activity to the impoverished country, and if possible to bring down prices by means of foreign competition. At the same time, some thought was also taken to provide farmers with their requirements: though the prohibition was maintained as regards oil-cake, permission was given to import fertilizers, tractors and agricultural implements and their spare parts, scythes, and reaping-hooks.

The Government simultaneously canceled the prohibitions of export that had been enacted during the war, except such as concerned the commodities enumerated in a schedule comprising all kinds of foodstuffs. The list was reduced in May 1919, but the articles whose export remained provisionally forbidden were nearly all agricultural products, such as horses, cattle, cereals, potatoes (other than



seed potatoes and early potatoes), forage, and wine (other than vintage wines).

While the farmer's return to a fuller liberty was thus delayed, another decree of May 1919 extended the list of the commodities that might be imported, so as to include most of the raw materials utilized by industry, only three of which, however, concerned agriculture, *viz.*, sulphate of copper, binder-twine, and cloth for reaping machines. On the 13th June all imports were authorized except some hundred specially enumerated commodities, comprising those of which the State retained the monopoly of importation and others in respect of which French manufacturers feared to face foreign competition. When protectionists had been fully reassured by an increase in the customs tariff, the remaining prohibitions on imports were removed (7th July 1919) except as regards refrigerated meat and wheat, which were controlled by the Department of Food, and certain wines and must.

Meanwhile the bad condition of the land under cultivation gave cause to anticipate 'a considerable deficiency in supplies of food and forage, especially in animal produce. The tendency that may be observed to export butter, eggs, cheese, etc., to Switzerland and the Rhine shows the danger that our food supply will run when, as will shortly happen, all central Europe is thrown open to our exports.' Accordingly the decree of 12th July 1919 placed the majority of agricultural products once more on the list of commodities whose export was prohibited; that of the 28th August, in view of the fact that the dearth of freight made the import of the required phosphates and nitrate of soda impossible, forbade the export of organic manures, basic slag, and other fertilizers.

It would be wearisome to detail the succession of decrees that at times authorized, at others prohibited, the import or the export of agricultural commodities. They are to be attributed to spasmodic movements in the upward course of prices and to the more or less violent protests published in the press, sometimes at the instigation of interested dealers. As for the decrees that closed or opened the French frontiers to the import of cattle for slaughter, they found their pretext in the sanitary conditions of the live stock in the countries of origin. But in these measures we can no longer trace the consequences of the war; we are back at the traditional practices, common to all countries, which will continue to prevail until



there ceases to be justification for the expression of M. Gide, 'the unfathomable stupidity of the consumer.'

The disturbances of all kinds that the war introduced into the conditions of production were calculated to awaken the protectionist spirit. But whereas the agricultural class are frequently held responsible for the extreme policy of protection followed by France since 1892, a study of the modifications in the customs tariff adopted since the revival of international trade will show that it is traders and manufacturers who have demanded and obtained increases of import duties that have not been conceded to agriculture. The decree of 14th June 1919 instituted *ad valorem* surtaxes of 5 to 20 per cent on imports, but all foodstuffs were exempted from these. The *ad valorem* system was soon replaced by that of 'co-efficients,' that is to say, of certain figures by which the old specific tariff was to be multiplied. The coefficients were at first limited to the figure 3; but whereas the present coefficient is 2 for cereals, 2.5 for sugar and butter, 3 to 3.5 for oil and cheese, and the former duties have not been reimposed on cattle, meat, potatoes, and eggs, the coefficients in respect of manufactured goods, including many which the farmer utilizes, range from 3.8 to 10. Agriculturists, however, remain strongly wedded to the protectionist régime. It is to be hoped that in time they will perceive that a reduction in the price of fertilizers and implements would be more advantageous to them than the maintenance of the duties that protect their wheat.

## CHAPTER XI

### RECOVERY OF PRODUCTION AND RISE OF PRICES

IN the distribution of crops, as in the distribution of ownership, the war had the effect of stimulating an evolution that was already manifest. The disparity between areas under cereals and under grass and other forage crops became greater. In 1913 the cereal area was nearly 34 million acres against 38 million acres of natural and artificial grass. In 1922 the proportion had become  $27\frac{3}{4}$  millions to 40 millions. The area of industrial crops, such as sugar-beet, was also much smaller than formerly; we may hope that the latter crops will extend afresh, with the restoration of the devastated regions and resumption of work by the sugar factories. It is improbable that cereals will do the same. Here the recovery will at the best be partial, for the reduction is due to causes that for many years will continue to operate—the diminution in the agricultural population and the necessity of producing at a minimum cost, that is to say, of growing the crops best suited to the land.

The tables in the appendices enable a comparison to be made, year by year, of the areas of the principal crops, of their total production, and of the average yield per acre. They point, taken altogether, to this conclusion, that a great effort at recovery has been made, but that it has not been completely successful, for the situation today is distinctly less favorable than in 1913.

This appears clearly if we compare the areas cultivated in 1922, on the one hand with those cultivated in 1913, and on the other with the areas under cultivation at the worst moment of the war, 1917 or 1918:

	<i>As compared with 1917 or 1918 Thousands of acres</i>	<i>As compared with 1913 Thousands of acres</i>
Wheat	+2,750	—3,130
Rye	+ 455	— 720
Barley	+ 345	— 167
Oats	+1,790	—1,357
All cereals	+4,917	—5,992
Potatoes and other tubers	+ 222	— 195

Hay and other forage crops	+3,685	+1,595
Vines	+ 65	— 62
Woods	+1,452	+1,102
Waste and heath	....	+2,240
Non-agricultural land	....	+ 947
Total territory	....	+3,635

The increase in the total territory, owing to the restoration of Alsace and Lorraine to France, gives increased significance to the reductions shown by the areas of all crops other than hay and forage.

Variations in the quality of the harvests since 1918 make it impossible to say in what degree the productivity of French agriculture has been reëstablished. The harvest of 1921 yielded a larger quantity of wheat than that of 1913, but the harvest of 1913 was not a particularly good one, whereas the results of 1921 were due to exceptionally favorable weather conditions. No crop since the armistice, except the vintage, has reached the average crop of the ten years 1904-1913. The yields per acre, however, which had fallen in so marked a manner during the war, show an improvement.

Notwithstanding the extension of the grass area, the country's live stock has not yet been completely replaced. Comparison of the head of stock in 1922 with the figures for 1913 and 1918 reveals a progress, since the return of peace, similar to that observed in respect of crop areas; but there are still heavy arrears to be made up.

	<i>As compared with 1913</i>	<i>As compared with 1918</i>
	<i>Thousands</i>	<i>Thousands</i>
Horses	— 444	+ 545
Mules	— 2	+ 47
Asses	— 65	— 21
Oxen	—1,412	+1,125
Sheep	—6,349	+ 721
Pigs	—1,840	+1,216
Goats	— 67	+ 151

France is still short of nearly a million and a half oxen. The deficiency in sheep is especially marked, and this, in consequence of the scarcity of shepherds and the small profits of sheep farming, will probably never be made good.

The figures in this chapter and in the appendices include Alsace and Lorraine from 1920 onwards. We must therefore indicate the extent to which these provinces are contributing to the agricultural production of France.

According to the census of 1921 their population numbered 1,709,749, and comprised a higher proportion employed in industry and a smaller proportion engaged in agriculture than obtains in the remainder of France.

In 1920 the principal crops of the two provinces were estimated as follows:

	<i>Cultivated area</i>	<i>Total yield</i>	<i>Yield per acre</i>
	<i>Acres</i>	<i>Tons</i>	<i>Pounds</i>
Wheat	290,000	158,000	1,235
Oats	255,000	124,000	1,102
Permanent grass	529,000	1,062,000	4,540
Potatoes	211,000	1,009,000	11,761
Sugar-beet	3,200	43,000	30,544

The above figures represent, for the year in question, 2.4 per cent of the total wheat crop, 2.9 per cent of the total oat crop, and 8.8 per cent of the total potato crop, of France. The wheat and rye locally produced do not meet the requirements of the population, but the potato crop is of some importance. The census of 1920 showed 92,541 horses, 435,133 oxen, 33,511 sheep, 358,479 pigs, and 112,305 goats; the oxen formed 3.2 per cent of the total number in France. It is evident, therefore, that these districts, covered as they are to a great extent by forests, do not contribute in a very large measure to the recuperation of French agriculture, and are certainly far from compensating the diminished production of the devastated regions.

Since the termination of the war the price of agricultural products has increased considerably. As the interests of the mass of consumers have been directly affected by this rise, the public has taken an immense interest in it and it has occasioned innumerable newspaper articles; many foolish statements have been made and passionate denunciations have been rashly launched. Cultivators were held responsible for the high cost of living and were said to be



taking advantage of the shortness of supply to fleece the dwellers in the towns. This is not the place to plead the cause of the agriculturist and we will confine ourselves to a few facts and explanations.

To begin by a general view of the situation, we find from the figures furnished by the Annual Agricultural Statistics (see Appendix II) that the country's vegetable produce represented in 1913 a sum of 12,115 millions of francs; that after falling in the early years of the war it reached in 1917 19,000 millions, 25,000 millions in 1918, and settled down from 1919 to 1922 at between 34,000 and 35,000 millions. But the magnitude of the increase is rather apparent than real. The 12,000 millions of 1913 were gold francs, the 34,000 or 35,000 millions of 1921 are paper francs worth about 33 centimes apiece. The fact that agricultural receipts have been multiplied by 2.8, while depreciation has divided them by 3.3, hardly suggests the enrichment of the agriculturist; nor can this conclusion be drawn from an increase by 50 per cent in the value of the land he owns; nor is the trebling of agricultural wages excessive.

But as conclusions drawn from general statistics are often misleading, let us consider the fluctuations in the prices of the leading agricultural products, grain, meat, and wine, taking care, however, to distinguish between the price paid to the cultivator and that obtained by the retailer. This is comparatively easy in the case of grain; but it must be remembered that fixed prices, during the period of control, were maximum prices payable for wheat of a certain weight per bushel and free from impurities. The fixed price for 1919 was 73 francs the quintal (220 pounds), which was certainly inadequate. For 1920 it was nominally 100 francs, but in practice nearer 95 francs. This was more than three times the pre-war price of about 27 francs, but it related to a period when the cost of tillage was exceptionally heavy, owing to the need of restoring the exhausted condition of the soil. From August 1921 the recorded prices are commercial prices, almost always higher than those paid to the farmer. From 73-76 francs in August the price fell to 70 francs in November and 68 francs in February 1922. The subsequent rise did not, generally speaking, benefit the farmer, who had already sold his crop. For the 1922 crop the price opened above 80 francs, fell to 76 francs in September, rose in February 1923 to 90 francs and in May even to 97 francs. On the average, then, farmers received a price about 3.3 times that prevailing before the war, which would be

fair and satisfactory did it not apply to short crops, with a generally low yield per acre.

The rise in the prices of meat was much more perceptible. During the first half of 1914 second quality beef cost 1 fr. 70 the kilo (net weight); in December 1918 the price rose to 4 francs; in January and February 1919 to 4 frs. 80; in April and May, owing to the seasonal rise, to 6 frs. 50; and during the second half of the year the price fluctuated about 5 francs. In 1920 the price rose steadily to 9 francs in May and 9 frs. 75 in December. The fall began in January 1921; the price fluctuated about 5-6 francs in the spring, and fell somewhat at the end of the year. In the spring of 1922 it rose to 6 francs and fell again, and a similar movement occurred in 1923. The 1914 prices were multiplied at their maximum by 5.25 as regards beef, 6.75 as regards veal, and 7 as regards pork. But the period of these high prices only covered a few months in the latter half of 1920. From 1921 the prices of 1914 are only trebled, and these are commercial prices for net weight, excluding hide, horn, bones, etc. If live weight prices are taken, it will be found that they exceed three times the pre-war price only during one or two months of 1920. These high rates of 1920 certainly were a source of large profit to those who had cattle to sell, but it is not so generally known that they brought loss to the many farmers who had at that time to buy cattle to replace the stock carried off by the requisitions and purchases of the war period. As for those who bought cattle to sell again, they were severely hit by the sharp fall which ensued.

Even wine, notwithstanding the rapidity of the rise in its price during the first years of the war, never reached four times the pre-war rates. The average price of wine from the southern departments for the period September 1913 to August 1914 may be taken at 28 francs the hectoliter (22 gallons). In 1914-1915 the corresponding average was 15 frs. 38, in 1915-1916 62 frs. 21, in 1916-1917 69 frs. 43, in 1917-1918 92 frs. 80, in 1918-1919 87 frs. 22, in 1919-1920 103 frs. 46. The superabundant vintage of 1922 brought home to cultivators what Shakespeare meant when he spoke of the farmer that hanged himself on the expectation of plenty. In viticulture the profits of good times should serve as a reserve against the years of disaster. The cultivators who, forgetting this, treated the substantial profits which, notwithstanding high cost of produc-

tion, they had made during the war as a net and unencumbered gain, are today demanding the protection of the State.

Finally, since we are merely drawing attention to a few obvious truths, let us add that receipts must not be confused with profits. When one considers the high price that the farmer has to pay for all the requisites of cultivation, one is led to think that, good luck apart, his profits cannot be other than meager. By applying the system of index numbers to the receipts and expenditure of a farming business for the years following the war, we get the following results, the prices of 1913-1914 being taken as the basis (=100).

*Index number of receipts.*

	1919	1920	1921	1922	1923
Wheat	270	367	260	292	338
Rye	265	397	189	220	...
Oats	355	263	311	297	...
Potatoes	441	250	501	274	...
Sugar-beet	334	545	362	406	...
Forage	537	305	432	330	...
Wine	361	309	307	281	...
Beef	294	400	325	290	337
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Average	357	354	336	299	...

*Index number of expenses.*

	1919	1920	1921	1922	1923
Daily wages	260	300	310	310	325
Annual wages	250	275	285	285	300
Superphosphate	475	548	412	301	347
Nitrate of soda	323	306	357	301	347
Sulphate of copper	258	387	272	250	312
Binder twine	363	327	429	276	331
Belgian plough	244	314	395	316	364
Mowing machine	307	580	518	435	490
Beet root seed	638	500	572	703	794
Oil-cake	390	400	417	417	385
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Average	341	398	397	397	402

From these figures, which, as was said in an earlier chapter, require revision by agriculturists and economists, it is apparent that the position of the cultivator, so far from improving, has deterio-

rated. Once only, in 1919, expenses and receipts were brought into harmony, but manufacture immediately raised its prices. And yet this was the moment when the newspapers were loudest in their outcry about the cost of living, and when accusations against farmers attained the utmost violence.

Such is the evidence of the figures. Many will refuse to be convinced by it, and will prefer to rely upon their personal observation of instances of peasants grown rich since the war. There are no doubt many such. For luck is an important element in the tillage of the soil, more so in stock breeding, and still more so in viticulture, so that it is not difficult to meet a few whom fortune has favored. Those to whom fortune has been unkind are less conspicuous.

If one attempts to combine these varying aspects in one single general view of the question, it becomes very evident that while the war has imposed new and difficult tasks upon agriculture, it has not brought it either a more liberal remuneration or any unwarranted advantage.



## CHAPTER XII

### PROFITS AND SAVINGS OF AGRICULTURISTS

ALL our inquiries into war-time agriculture have left us with the same painful impression. We have considered it from various points of view: we first looked at its results as a whole and saw reductions in the cultivated area and the yield; we then attempted to calculate the losses from invasion and arrived at a total the very magnitude of which exposes it to criticism; we examined the conditions in which agriculturists carried on their task and noted their scanty numbers and inadequate physique, the lack of draught animals and fertilizers, the cutting off of railway transport and all outside assistance; we studied the interventions of the legislature in this troubled period and saw it concerned to depress the price of agricultural produce, imposing controls and sacrifices on the farmer, but much less successful when seeking means of helping him in the discharge of his task. In every direction we got the same impression of hardship and suffering; and this is the impression that we wish others to share.

Many persons refuse to do so. They admit that the rural class suffered at heart, like the other classes of the nation, perhaps even more so, if we are to judge by the proportion of its sons who died for their country; they admit that it worked under difficult conditions; but they remain convinced that it profited largely by the rise in prices. It cannot be denied, they say, that the peasantry possessed on the 11th November 1918 far more money or securities than on the 2nd August 1914.

Presented in this excessively crude form, there is very probably truth in the statement, though it is impossible to say what measure of truth. But we must consider what the statement means.

To begin with, it is not disputed that the annual receipts of agriculture increased, though they did so in a much less degree and more tardily than is generally supposed. Appendix II shows that the estimated total values of the different crops were in 1916 generally either equal to, or less than, those of 1913, and only in rare instances larger.

The total value of all crops was estimated for 1913 at 12,115 million francs; this figure fell in 1914 and 1915 to 11,217 millions and 10,037 millions, and rose in 1916 to 12,514 millions in consequence

of the increased price of potatoes, forage, and wine. It was only in 1917 that receipts increased by 50 per cent. In 1918 they had doubled. But at that date an explanation might be found in the depreciation of the paper currency. However, as this phenomenon was not understood in the country districts at the time, it need not be taken into account.

Nor need we discuss the accuracy of the official statistics, though they are in certain respects open to the charge of overstating receipts. Even if the estimates had to be reduced on this account by 5 or 10 per cent, their general effect would not be materially altered.

We should, however, enter a warning against the confusion that so frequently occurs between commercial prices and agricultural prices, between those paid by the consumer to the retailer, and those paid by the wholesale dealer to the farmer at the country market. When a commodity passes through several phases in the hands of various middlemen, as meat, for instance, is transformed from the state of a live ox into that of joints, hide, bones, horn, and offal, the difference between the two prices is much greater than is usually supposed. But this again is a subject that we need not discuss at length and the above caution will suffice.

The unquestionable fact none the less remains that agricultural receipts after having fallen in 1914 and 1915 little by little increased. But it would be a singular error to suppose that this increase of receipts was necessarily accompanied by a corresponding increase of profits. We have already seen that costs of production rose very considerably both because the goods and services required for production became much more costly, year by year, and also because the yield per acre perceptibly diminished. It remains for us to show that costs of production rose more rapidly than receipts.

This is not an easy task, owing to the poverty of the data available for the study of rural economics. But an attempt to apply the system of index numbers has brought out such clear results that although the method adopted is regrettably crude and would require revision by specialists, we take the liberty of laying it, for what it is worth, before the reader.

Taking the average prices of the second half of 1913 and of the first half of 1914 as a basis ( $=100$ ), we have calculated the index numbers representing the annual increase in receipts, employing for

the purpose the figures recorded in the agricultural statistics for wheat, rye, oats, potatoes, sugar-beet, meadow hay, and wine, and adding from another source those representing the average prices of second quality beef (live weight). To arrive at the increase in the costs of production we have taken the increase in wages of day laborers receiving food and of those not receiving food—it is regrettable that figures relating to the annual wages of farm servants and more specially to the daily wages of agricultural craftsmen could not be included. For fertilizers we have adopted the prices of superphosphates and nitrate of soda, and for spraying mixtures of sulphate of copper. Implements and stores are represented by the prices of Belgian ploughs and binder twine; and we have completed the list with the prices of beetroot seed and, as regards cattle food, of oil-cake.

We have as a result the following series of index numbers:

*Agricultural Receipts.*

	1913-1914	1915	1916	1917	1918
Wheat	100	113.88	121.59	185.18	277.77
Rye	100	134.05	149.80	210.00	275.00
Oats	100	133.78	137.17	192.66	258.45
Potatoes	100	133.01	181.56	249.75	456.74
Sugar-beet	100	180.15	179.78	214.80	292.05
Hay	100	112.17	133.14	253.52	420.67
Wine	100	136.25	175.00	305.75	317.81
Beef	100	111.76	131.76	170.58	218.82
Average	100	131.88	151.20	222.78	314.66

*Agricultural Expenses.*

	1913-14	1915	1916	1917	1918
Laborer receiving food	100	130.00	157.85	180.00	220.00
Ditto not receiving food	100	125.00	150.14	175.00	200.00
Superphosphate	100	162.75	217.08	315.41	532.11
Nitrate of soda	100	149.35	191.00	290.64	371.48
Sulphate of copper	100	145.94	258.48	364.86	331.45
Binder twine	100	136.75	156.41	222.22	410.26
Belgian plough	100	108.33	138.78	182.05	225.32
Mower	100	158.48	166.03	220.75	298.11
Beetroot seed	100	209.99	250.90	250.90	409.09
Oil-cake	100	162.34	190.67	324.34	405.59
Average	100	148.88	187.73	252.62	340.34



The above figures show that the growth of receipts lagged at a distance behind the growth of expenses. If the averages had been based on a larger number of factors it is probable that the distance would be even greater, for wages of special craftsmen, wheelwrights, blacksmiths, etc., and incidental expenses, would raise in a perceptible degree the index figure of expenditure.

These conclusions would appear much less surprising if one realized how meager are the profits of agriculture even in normal times. We have already indicated (page 22) the small proportion that they bore, in the balance sheet of 1912, to gross receipts and to capital invested. This aspect of the matter is confirmed by a remarkable report on agricultural profits and charges made by M. P. Caziot in 1923 to the International Congress of Agriculture, in which he concludes that the profits are much smaller than is supposed; they exist at all only by reason of the cultivator's personal capacity for labor, of his stringent economies—frequently excessive or misplaced, and of the material conditions—occasionally very indifferent, under which he lives. All this is perfectly true.

But the more we insist upon the meagerness of agricultural profits during the war, the more is it incumbent on us to show how it came about that agriculture found itself, nevertheless, at the armistice, in possession of increased savings. We can suggest two explanations: receipts may have been larger than the official statistics indicate; and the savings may not have proceeded from genuine profits.

The agricultural statistics furnish no data as to the sale price of animal produce; we have supplemented them in the above table as regards the most important item in this category, the price of animals sold for slaughter, which, we find, had in 1918 little more than doubled. But there remain milk and milk products, poultry and eggs, which sold well, and the receipts in respect of these may have more than doubled. Then there were the minor profits of clandestine sales: hay and forage, if they escaped requisition, were whenever possible sold at more than the fixed prices. Finally, we may include in the receipts allowances to families of mobilized men and of refugees, which were in some instances claimed by people who did not strictly need them. Some of the peasant women certainly managed to economize on the small pittance conceded to them.

All these items must be recorded, to avoid the appearance of presenting the case of the peasantry in an unduly favorable light. But



none of them are of any considerable importance, nor could the total savings accruing from them amount to an impressive figure. The explanation we are looking for must be sought elsewhere.

The fact is that savings accumulated because expenditure was not incurred where it was needed, because realized capital was not reinvested, and because buildings and implements were not kept up.

The first requisitions, which carried off draught animals and carts, placed a few bundles of bank notes in the cupboards of the farmers; there they remained, because it would have been difficult to replace what had been taken, and because, with the dearth of labor, there was no object in looking for new teams. Fertilizers were scarce and dear, so they were dispensed with and the land had to do with farmyard manure. Implements were badly repaired and became worn out; and buildings suffered from neglect.

The savings were not in fact savings in the true sense of the word. They represented deferred expenditure and reserves (inadequate indeed in view of the constant rise in prices) for the replacement, when peace should come, of what had been worn out or destroyed. Public opinion failed to understand this because those most interested, the peasantry themselves, were deceived as to the character of the savings they had effected. Being completely ignorant of the principles of accounting, they did not perceive that normal amortization had not been taking place, and that, owing to the rise in prices, the expenditure of very large reserves would be required to enable work to start again. They thought their so-called savings free of all charges; they employed them in the main to buy land, but also to some extent on that extravagant and ostentatious expenditure which gave rise to the myth of the peasant grown rich.

Finally, an erroneous impression was produced by the inferences, of too general a character, drawn from the profits that the small holder, in particular, succeeded in making during the war. It is easy to understand this. The large farmer, who grew cereals, was caught between the vigorous enforcement of controlled prices and the continuous rise in cost of production, which left him no margin for profit and very often, we must repeat, involved him in loss. Those who made money were those whose families carried out all the work of the farm, without hired labor, and without purchases from outside, and particularly those whose produce was not subject to control: in fact, the poultry yard, where moreover there was no lack of

female labor, brought in more than the arable. And as the improved situation thus acquired by many peasant families was compared with the miserable, indeed inhuman, conditions which they formerly put up with, people did not hesitate to say that the peasantry had made their fortunes. It was not long before this illusion was dissipated. If anyone profited by the war, it was not the French agriculturist.

## APPENDICES





# APPENDIX I

## DISTRIBUTION OF CULTIVATED AREAS

*Thousands of Acres.*

	1913	1914	1915	1916	1917	1918	1919	1920 <sup>1</sup>	1921 <sup>1</sup>	1922 <sup>1</sup>	1923 <sup>1, 2</sup>
Wheat	16,159	14,969	13,558	12,424	10,352	10,988	11,371	12,583	13,294	13,066	13,710
All cereals	33,372	30,811	27,833	26,056	23,245	22,594	23,446	26,669	27,595	27,439	28,012
Pulse	778	739	651	632	671	632	672	758	788	591	.....
Potatoes and other tubers	4,097	3,944	3,589	3,427	3,636	3,191	3,361	3,844	3,879	3,913	3,834
Industrial crops <sup>3</sup>	974	672	387	386	363	343	402	529	530	544	.....
Temporary grass and forage crops	13,042	12,308	11,861	11,434	11,254	10,944	11,088	11,898	12,049	12,118	12,293
Meadows and pastures	24,952	24,261	24,379	21,837	25,266	24,984	26,062	26,868	26,988	26,896	.....
Vines	3,994	3,945	3,928	3,890	3,869	3,870	3,851	3,892	3,931	3,772	.....
Woods	24,321	24,075	24,075	24,075	24,075	24,075	24,421	25,511	25,555	.....	.....
Waste and heath	9,369	9,191	10,254	10,957	11,318	11,236	12,407	11,481	11,345	.....	.....
Non-agricultural land	6,744	11,526	12,214	12,318	12,019	12,118	7,603	7,931	7,679	.....	.....
Total territory	130,795	130,795	130,795	130,795	130,795	130,795	130,795	134,385 <sup>1</sup>	134,385 <sup>1</sup>	.....	.....

<sup>1</sup> Including Alsace and Lorraine.

<sup>2</sup> Provisional figures.

<sup>3</sup> Sugar-beet, beet for distillery, flax, hemp, tobacco, etc.

## APPENDIX II

### PRINCIPAL CROPS

*Value in Millions of Francs.<sup>1</sup>*

	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922
Cereals	4,179	4,113	3,563	3,812	4,099	7,069	7,067	10,824	9,903	9,542
Pulse	179	176	187	195	358	376	475	477	405	341
Potatoes	1,129	1,086	1,038	1,324	2,159	2,472	2,990	3,167	3,458	2,880
Industrial crops <sup>2</sup>	315	227	143	211	281	291	527	896	524	697
Forage crops	3,825	3,807	3,235	4,191	6,799	9,426	13,467	10,156	12,559	12,275
Wine	1,512	1,095	957	2,013	3,745	4,593	6,310	5,903	4,719	4,996
Fruit	347	215	305	231	646	301	1,560	1,223	1,725	879
Market gardens, etc.	629	498	619	537	926	1,181	1,690	1,635	1,705	935
Total	12,115	11,217	10,047	12,514	19,013	25,709	34,086	34,281	35,003	32,546

*Yield in Thousands of Tons.*

	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922
Wheat	8,561	7,578	5,793	5,492	3,572	6,052	4,891	6,352	8,671	6,523
Rye	1,252	1,098	830	835	616	725	720	823	822	962
Oats	5,106	4,551	3,411	3,962	3,064	2,525	2,456	4,166	3,496	4,123
Pulse	507	568	394	300	355	332	313	415	302	353
Potatoes	13,384	11,814	9,258	8,650	10,258	6,422	7,615	11,463	8,185	12,457
Sugar-beet	5,851	3,696	1,132	1,960	1,939	1,126	1,229	2,426	2,030	3,241
Roots for forage	24,842	19,562	14,444	15,260	16,295	10,655	10,285	18,058	14,092	19,949
Temporary grass	13,439	12,181	11,716	10,724	10,309	8,529	8,374	10,410	8,504	10,144
Permanent grass	28,147	25,722	26,880	24,515	21,914	19,816	20,720	26,179	22,017	24,625
Wine (millions of gallons)	975	1,317	448	792	840	992	1,199	1,302	1,053	1,683

<sup>1</sup> These figures are not in all respects complete.

<sup>2</sup> Sugar-beet, beet for distillery, hemp, flax, tobacco, etc.

## APPENDIX III

## NUMBERS OF LIVE STOCK

*Thousands.*

	<i>Horses</i>	<i>Mules</i>	<i>Asses</i>	<i>Oxen</i>	<i>Sheep</i>	<i>Pigs</i>	<i>Goats</i>
1913	3,222	188	356	14,788	16,131	7,036	1,435
1914	2,205	152	338	12,668	14,038	5,926	1,308
1915	2,209	145	322	12,520	12,262	4,910	1,231
1916	2,246	148	326	12,342	10,845	4,362	1,176
1917	2,303	144	319	12,242	9,881	4,165	1,161
1918	2,233	139	312	12,251	9,061	3,980	1,197
1919	2,413	167	303	12,374	8,991	4,080	1,175
1920	2,635	181	298	13,217	9,406	4,942	1,341
1921	2,706	186	296	13,343	9,599	5,166	1,361
1922	2,778	186	291	13,376	9,782	5,196	1,368

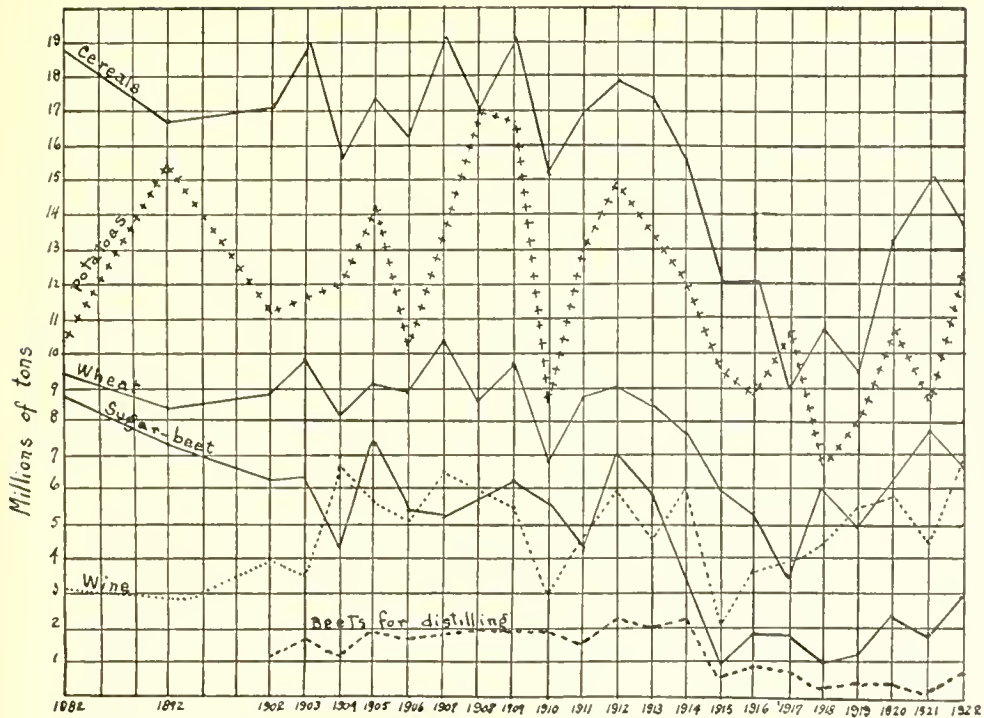
# APPENDIX IV

## YIELD PER ACRE IN POUNDS OF THE PRINCIPAL CROPS

	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922
Wheat	1,181	1,129	982	985	777	1,228	1,240	1,125	1,454	1,112
Rye	962	937	800	866	750	925	877	896	1,112	977
Barley	1,221	1,204	965	1,190	1,059	960	792	1,119	1,091	.....
Oats	1,158	1,144	944	1,136	935	838	776	1,122	926	1,082
Potatoes	7,802	7,166	6,215	6,098	6,757	4,871	5,471	7,181	5,077	7,677
Sugar-beet	21,167	24,911	13,492	21,770	23,114	15,393	14,865	20,951	15,206	22,350
Wine (gallons)	255	348	119	212	223	267	323	348	277	446

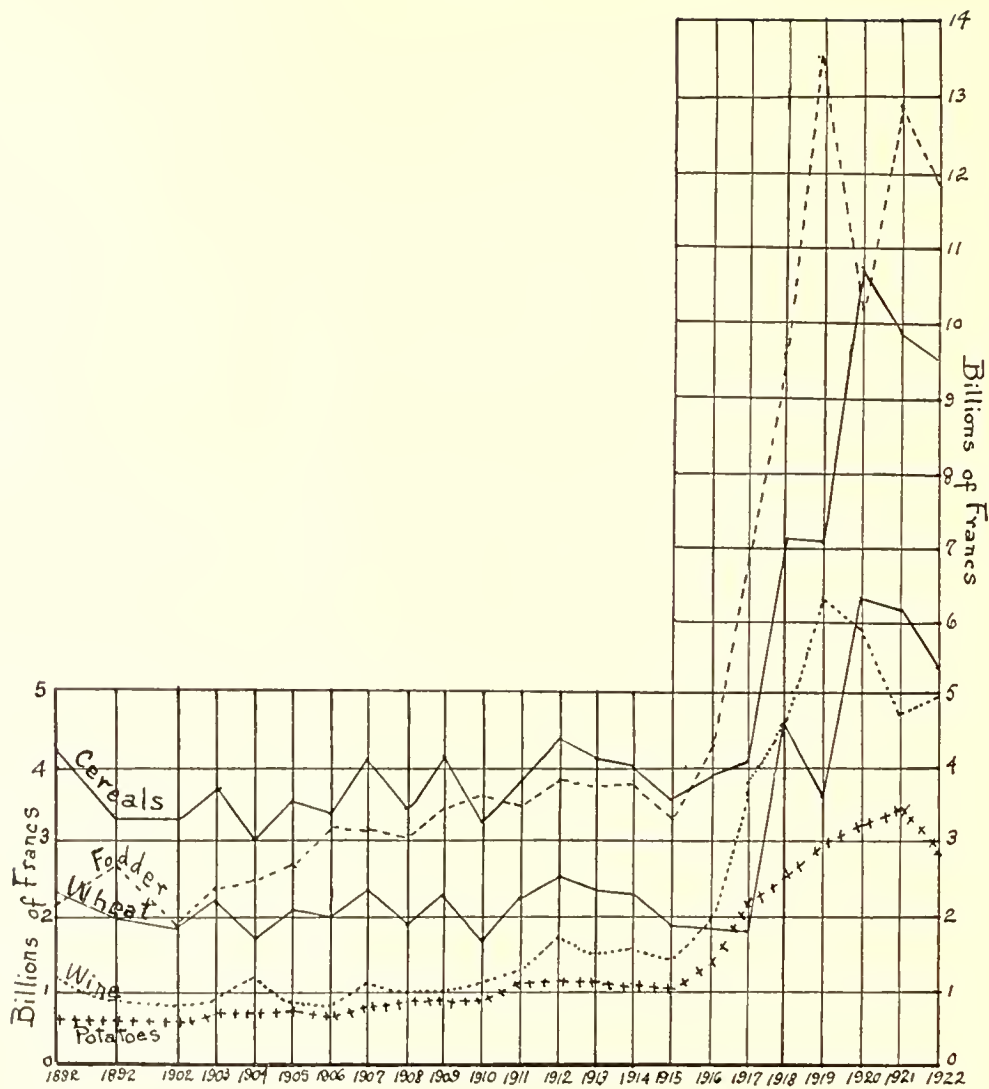


## APPENDIX V



*Yearly Variations of the Principal Crops.*

APPENDIX VI



*Yearly Variations of the Value of the Principal Crops.*

II  
FOOD SUPPLY IN FRANCE DURING  
THE WAR

BY PIERRE PINOT





# FOOD SUPPLY IN FRANCE DURING THE WAR

## INTRODUCTION

### 1. *Intervention of Government in Civil Food Supply: Its Motives and Development.*

OF the numerous and, indeed, unforeseen problems which, at the very outset, the world war offered to the Governments engaged in it, none presented itself with greater acuteness or on a larger scale than that of food supply.

The history of previous wars afforded no indications that might contribute to its solution, because in them, terrible as some of them had been, only the armed forces of the belligerents had in fact been involved; the life of the whole country had not been suspended, and the normal methods of supply and distribution had sufficed to meet requirements.

Here, on the contrary, was a struggle which it was soon evident would be one of endurance, in which entire nations with all their moral and material forces and means of action were engaged. The allied peoples and their Governments were obliged to adapt themselves to its conditions and to set up, under penalty of seeing their populations starved and defeated, a complete system of food supply and distribution such as had never before been contemplated.

In France in particular the question had to be faced as early as the end of 1914. Before the war, thanks to her favorable geographical situation, to the diversity of her climates, and to the fertility of her soil, France was able to supply the greater part of the essential requirements of her population. Her harvests yielded 90 million quintals<sup>1</sup> of wheat, a quantity approximately equal to her consumption; her production of sugar exceeded her needs; an abundant and varied live-stock yielded all the meat, milk, and milk products required; the vineyards of the South, the orchards of Normandy and Brittany, furnished ample supplies of wine and cider. Imports of foodstuffs comprised, in consequence, only a limited number of commodities and in relatively small amounts: dried vegetables, 190,000 tons; oil-seeds, 900,000 tons; rice, 260,000 tons; coffee, 110,000 tons; tea, 1300 tons; cocoa, 30,000 tons.

<sup>1</sup> Quintal = 220 lb. 90 million quintals = roughly 9 million tons.

The economic condition of the French market, on the whole, was one of remarkable stability; the beneficent play of supply and demand secured an equilibrium between the interests of producers and consumers, and life was easy for all.

Of a sudden war broke out, and these economic conditions were in a moment utterly subverted; and as the years went by and the struggle became fiercer, the difficulties became ever greater.

The French mobilization, which worked with the perfection of a minutely adjusted piece of mechanism, had been designed to bring immediately into the ranks every able-bodied man in the nation; never, before the war, had the General Staff conceived that it might be expedient, alongside of the military mobilization, to provide for a civil mobilization.

And so, on the 2nd August 1914, millions of strong arms were withdrawn from the land, from factories, and from commerce; production, communications, the distribution of raw materials and finished products, were abruptly disorganized; there remained, to provide for the country's essential needs, only women, old men, children, and the medically unfit.

The military events of the month of August, the retreat of the armies before the invader, aggravated this situation; ten of the most fertile departments, including the region that produced sugar, coal, and textiles, were occupied by the enemy. The country's production from that moment fell short of its consumption, and the deficit went on increasing; wheat, for instance, in 1917 showed a deficiency of more than 45 million quintals (roughly  $4\frac{1}{2}$  million tons).

This tragic and menacing situation called for energetic measures. They were necessarily directed, on the one hand, to securing the regular provisioning of the country, both by stimulating local production to the utmost extent possible, and by importing from Allies and Neutrals what was required to make good the deficiency; on the other, to so regulating consumption as to maintain equilibrium between demand and supply. Such measures evidently involved Government intervention, an intervention which was moreover imposed by considerations of another order.

The majority of the Allies soon found themselves driven by the immense needs of their armies and of their civil populations to increase very extensively their imports both of raw materials and of

finished products, and to place vast orders in neutral countries, and notably in America. Obviously, unless these orders had been co-ordinated and limited to a program settled between the Allies, the resulting competition would have brought about a prohibitive rise of prices. To avoid this danger, the Allied Governments were obliged to control and even to suspend imports by the trade, and to institute a complete system of purchases in common in foreign countries.

Further, when it grew evident in 1915 that only in the distant future was a military decision to be hoped for and it became a question rather of wearing down the enemy than of defeating him in the field, the economic blockade of Germany suggested itself as a weapon for the purpose. But this blockade could not be made effective unless the Allies secured the control of foreign markets and of shipping.

Finally, from 1916 onwards, the general upheaval in the economic situation, and, it must be added, the intervention of speculators, who attempted to make the war a basis for profiteering operations, occasioned in all countries, and particularly in France, a rise of prices; this, becoming more acute as time went by, might well, by greatly augmenting the material difficulties of life, have proved a serious and universal cause of demoralization. Here again was a consideration to which the Government could not remain indifferent; it was bound to attempt, by its intervention, to check the rise in the cost of living, or at least to prevent articles of first necessity from being carried to prohibitive prices.

To secure regularity in the provision of food and to keep a watchful check on the movement of prices: such were, throughout the war, the two primary motives of the Government food control.

It should be pointed out to begin with that from 1914 to 1918 this control was the outcome of no theoretically complete policy; the measures successively taken—at least until 1919—formed no part of a scheme previously determined, but were adopted because they appeared to answer to the ever-changing needs and circumstances of the moment. The fact that the Government's system of food control displayed on the whole an empirical character need occasion no surprise. In the first place, as we have already said, it had never been contemplated that in the event of war the Government would have to take any action in this respect, so that no prepa-



ration had been made. In the second place, and this is more important, the problem presented very different aspects at different stages of the war; it was therefore not susceptible of any uniform solution, but only of solutions adapted to the successive situations, each of them of a momentary character.

It must not be understood, however, that the action of the Government was inspired by no continuity of views or general policy. On the contrary, two fundamental principles controlled its action throughout.

To begin with, it was at all times the policy of the Government that its measures of food control should not have the effect of replacing the normal operations of commerce by an administrative system of State supply; even in respect of those commodities, cereals and sugar, for which a real monopoly of purchase and distribution had to be instituted, the Food Department had constant recourse to the coöperation of the trade.

The Government, moreover, deliberately restricted the sphere of its action: even during the period (1917-1919) when State intervention in food supply was most direct and when the control of the supply, sale, and consumption of foodstuffs was most complete and stringent, that intervention was far from applying generally to all foodstuffs without distinction.

The very object that the Government had in view indicated the limits of its intervention. It was a question of enabling the country to *hold on*; at a moment when sacrifices had to be borne by all, there was no idea of maintaining those easy conditions of life which had prevailed before the war. The Government's intervention, whether as regards procuring supplies or fixing their prices, was restricted to commodities recognized as really indispensable to all consumers, and to certain substitutes of an analogous food value.

But this intervention, even within the above limits, went far beyond the normal powers that peace-time legislators had entrusted to the executive. It had therefore to be specially sanctioned by Parliament.

## 2. *The Basic Laws.*

The only powers which before the war could be exercised by Government in regard to the food of the civil population were police powers; and their object was limited to protecting the health of the



public and to securing correct weights and measures. The fundamental principle, proclaimed under the Revolution and ever since respected, of the liberty of commerce and industry precluded the State from undertaking the sale or purchase of commodities directly or indirectly, or even from controlling their production, sale, or consumption. This rule was subject to a single exception: by virtue of a law of 1791, mayors of communes were empowered, in case of necessity, to fix the prices at which bread and meat should be sold to the consumer; but in fact they never availed themselves of this power.

And so, when, in the first year of the war, the Government found itself obliged to take measures to secure the country's supply of essential commodities, and when the scope and character of these measures had, as time went on, to be enlarged, it had to seek authority from the Legislature. It had also to be authorized to incur expenditure.

Three basic laws were voted during the war to invest the Government with the powers it lacked, and to provide it with the necessary financial means, those of the 16th October 1915, the 20th April 1916, and the 10th February 1918.

We shall examine these later on in detail, and shall confine ourselves for the moment to pointing out the new attributions conferred by them upon the Government and the characteristic features that are common to all three.

The law of 16th October 1915 was limited in its scope and dealt only with cereals. It authorized the requisition of grain and flour for the supply of the civil population, prescribed that requisitions should be carried out by the prefects acting under the authority of the Minister of Commerce, and fixed a maximum price for requisitioned wheat. It further laid on the Minister of Commerce the duty of procuring by purchase in France, in the colonies, or in foreign countries, the grain and flour required to meet the needs of the public, and of organizing their distribution by direct sale. Finally it authorized the opening of a Treasury account for recording purchases and sales.

The law of 20th April 1916 (supplemented by those of the 30th April 1916 and 4th April 1918) was of a far more general character.

It authorized the Government:

- (1) to fix the prices of a number of essential commodities;
- (2) to purchase or requisition such commodities after fixing their price with a view to resale to municipalities;
- (3) to open a further special account in which these transactions should be recorded.

Finally the law of 10th February 1918 invested the Government with the general and complete power of control which in the circumstances of the moment had become necessary. It enabled the authorities to regulate by decree the production, manufacture, circulation, sale, possession, and consumption of foodstuffs for man and beast, and of combustibles; and authorized them to requisition by decree the whole of the mercantile marine.

Certain other laws supplemented and completed in various respects the three above enactments. It may be added that these laws, which were to be operative only during the period of hostilities and a further period of three months, were maintained in force by supplementary legislation until the 15th August 1920.

All these laws have this in common, that they contain fragmentary dispositions designed to meet those urgent necessities with which the country was in particular confronted at the time when they were submitted to Parliament. On the other hand, these dispositions are of a general and fundamental character: the legislature wisely entrusted Government with the powers deemed necessary, but refrained from laying down detailed conditions for their exercise; each of the three basic laws contained a large measure of delegation, which enabled Government to elaborate by means of decrees the whole control of food supply during the war. This attitude of confidence was, indeed, inevitable; the rapid and supple procedure by regulating decree was alone adapted to a period of perturbation and constantly changing conditions.

It may be noted, however, that the law of 10th February 1918 provided that the decrees issued in virtue of the general powers conferred upon Government should be laid before the Chambers within a month of their promulgation. In fact, this limit of time was never observed.

In order to carry out the functions thus successively entrusted to it, Government had to set up administrative and financial instruments with constantly increasing powers.

### 3. *Organization.*

#### *Administrative Organization.*

The organization of the services charged with the country's food supply developed during the war, as the task itself developed and as the scope of their intervention was enlarged. As early as September 1914, a decree signed at Bordeaux established a Department in the Ministry of Commerce which was to coöperate in the provisioning of the civil population by promoting the import and distribution of essential foodstuffs. It was to investigate existing resources in foodstuffs, to ascertain the centers of supply and storage and the quantities imported and exported, to see to the maintenance of stocks and to their distribution according to requirements, to arrange with the military authorities as to measures to be taken ; in short, to centralize all information and take all steps contributing to the object in view. The Department comprised two sections, the first dealing with the provision of grain, flour, and forage; the second with that of all other commodities.

The rôle of this Food Department was still, it will be seen, a very modest one: an investigating rather than an executive body, it was required above all, through the information it possessed and the mediation it offered, to encourage and facilitate the play of the normal methods of supply and distribution, that is to say of free commerce; it was not yet to intervene directly to secure this supply and distribution; besides, it disposed of only a score of officials. Nevertheless the organism was born, the nucleus created round which other bodies and other services were progressively to group themselves as the duties of Food Supply extended.

Until 1917 the successive developments of the original Department took place, it may be said, without much order or logical method; according to the needs of the moment the Food Department was at first attached to the Ministry of Commerce (1915), then to the Ministry of Public Works (1916); it was then converted into the Ministry of Food and Maritime Transport (April 1917), and subsequently into the Ministry of Food (September 1917).

When the Government of M. Clémenceau was formed, the future was dark with anxiety; the military events of the year had not been favorable to the Allies, the end of the war still appeared far off, and the German submarine campaign was becoming increasingly menac-



ing. The food supply of the country had reached its most critical point: the monopoly of sugar had had to be followed by the monopoly of cereals, the existing control had proved inadequate, and the cost of living, notwithstanding fixed prices, was constantly rising.

To meet this situation M. Clémenceau decided to make the Food Department as independent and efficient as possible and to group its services under an Under Secretary of State attached to the Ministry of Agriculture; he placed at the head of them M. Ernest Vilgrain, an expert of exceptional qualifications.

Further, in order to secure greater unity of action, the Government, by decrees of November and December 1917, united the civil and military supply services by placing the Commissariat under the authority of the Ministry of Agriculture, so far at least as concerned those of its duties which related to the provisioning of the armies.

From the moment of his accession to power, M. Vilgrain devoted himself to his heavy task with the breadth of view and the resourcefulness that distinguished him. To begin with, he organized his Department on a plan that was both logical and practical and enabled it to work with the maximum of efficiency. We set out this organization in full in an Appendix because, subject to a few slight modifications of detail, it remained in force until the Department was abolished in February 1921. It was to operate over the whole country and had therefore at the prefecture of each department a corresponding local service, assisted by Committees; in particular, from 1916 onwards, by Sugar Distribution Committees, and from 1917, by Permanent Bureaus which, as we shall see, undertook the whole task of acquiring and distributing cereals and flour.

Moreover, to deal with the reception and distribution of imported commodities, France was divided into four zones, with centers at Havre, Nantes, Bordeaux, and Marseilles, respectively. In each of these ports a Controller was appointed, charged with all the operations of reception, transit, distribution, and dispatch of imports over all the departments of his zone.

Finally, when in 1916 the Allies adopted the policy of purchases in common on foreign markets, services had to be set up in the principal foreign countries: in London, New York, Brazil, the Argentine, and Spain. France had also to be represented on the Inter-



Allied Commissions formed in London in 1916 to see to the carrying out of the programs of imports designed to meet the needs of the Allies as a whole. But the study of the constitution and working of these inter-allied bodies falls outside the scope of this volume, and we confine ourselves to enumerating them and paying a tribute to the immense services which, notwithstanding grave difficulties, they rendered to the Allied cause:

The Wheat Executive, for cereals;

the Meats and Fats Executive;

the Sugar Committee;

the Oil-seed Program Committee;

and, over all these specialized committees,

the Inter-Allied Food Council, created in 1918.

*Finance: the Special Supplies Account.*

When the Government was first authorized by the law of 16th October 1915 to purchase grain and flour at home and abroad, the question arose of the financial system on which these operations should be conducted. Were budgetary credits to be opened in favor of the Minister of Commerce and was he to be required to conform, in expending them, to all the regulations, salutary no doubt but highly complicated, laid down by the decree of 1862 on public accounts? Such a system would, from the start, have paralyzed the purchasing services; their operations, which differed in no wise from the daily operations of commerce, required a commercial system of accounting. Government and Parliament perceived this and wisely decided (law of 16th October 1915) that the operations of supply should be recorded in a special Treasury account, and that there should be carried to the credit of this account the budgetary credits opened in favor of the Minister of Commerce as working capital for the purchase of grain and flour, and the proceeds of sales. The amount of purchases by agreement or by requisition as well as the subsidiary expenses of transport, loading, unloading, warehousing, etc., were to be carried to its debit. A statement of account showing the profit or loss on the transactions was to be drawn up at the end of each quarter, and communicated to the Minister of Finance.

It should be noted at once that this last provision contemplated and authorized losses on the transactions in grain and flour: it was

in virtue of this authorization that all those measures were taken by which, until 1920, the price of bread was maintained appreciably below cost of production.

The law of 1915 fixed the initial working capital at 120 million francs and limited the total liabilities for the purchase of grain and flour abroad to 209 million francs.

The law of the 20th April of the following year empowered the Food Department to purchase for resale those categories of essential foodstuffs of which the prices had been fixed. It had accordingly to be settled on what financial system these new transactions should be conducted. Here again the same method of accounting was adopted, and the law provided for the opening of a second section of the Special Account, in which the purchases and sales of commodities other than grain and flour should be recorded. The system was the same, but with an important difference: the law of 1916 did not authorize the Government to carry to the debit of the second section of the Special Account any losses that might result from the transactions recorded therein; the receipts and expenditure in respect of these were therefore to balance. As a matter of fact we shall see that the majority of them resulted in a profit.

The system of supply accounts established by the laws of 1915 and 1916 was maintained without important modification until 1920. We need only mention that a law of 30th September 1919, to secure greater clearness and to facilitate parliamentary supervision, especially as regards the consequences of the policy of keeping down the price of bread, determined with greater precision the form of the periodical statements of the Special Account.

When in 1920 the Government was of opinion that the moment had come to discontinue sales of grain at a loss, it was decided to make a clear separation between the transactions effected to date, and those which might yet take place pending the final reëstablishment of normal trade. Accordingly it was provided by the law of 9th August 1920 that the Special Account (including the second section) should be definitely closed, as regards expenditure, on the last day of the month in which the law was promulgated, and as regards receipts on the 31st March 1921; any further receipts and expenditure would be carried to the ordinary budget.

As it turned out, the magnitude and complexity of the transac-

tions to be liquidated were such as to make it impossible to close the Special Account and its second section until the 31st December 1921. The financial results of these accounts will be examined later.

#### *4. General Plan of this Work.*

Several volumes would be required for a complete examination of the measures of Food Control adopted during the war; such an examination would exceed the scope of this work and its details would weary the reader. We shall endeavor in particular to trace the essential lines of Government action in this new domain, to indicate the reasons by which this action was determined, and to appreciate the results obtained; we shall strive above all to give our study an impartial and objective character and, when we have occasion to pass any judgment, to do so from a purely economic point of view.

The clearest and most logical method will be, we think, to set out the various measures that we shall have to explain under one of two heads, according as they were adopted for one or other of the two fundamental purposes which we indicated at the outset of this introduction.

We shall accordingly examine successively:

In Part I measures designed to meet the essential requirements of the consumers;

In Part II the Government's efforts to keep down the cost of living.

Finally, in a general conclusion, we shall endeavor to set forth the results obtained by the French Food Department and to discover the lessons conveyed by its experience.





PART I

MEASURES DESIGNED TO MEET THE ESSENTIAL  
REQUIREMENTS OF THE CONSUMER



## CHAPTER I

### THE SCOPE AND METHOD OF INTERVENTION

As soon as the Government recognized the necessity for direct intervention in the organization of supply and in the regulation of consumption, a preliminary question had to be answered: What should be the scope of this intervention and how should it be exercised?

It would evidently have been futile to attempt during the war to set up a complete administrative system of supply and to substitute, in respect of all commodities, a regulated government service for the free play of commerce.

From the outset the Government wisely recognized that its action must be limited to satisfying the essential needs of the consumer, and that within this restricted province its intervention must vary in degree and form according to the commodity involved. These general principles determined on the one hand the selection of the commodities whose production, consumption, and distribution were to be controlled; and on the other the mechanism and degree of intervention in respect of each commodity so controlled.

#### 1. *The Commodities Controlled.*

Even if in one and the same country tastes differ, and there are marked differences in the diet of the populations of the North, South, East, and West, nevertheless there are in all countries a certain number of foodstuffs that form the basis of the diet of all the inhabitants, because they contain, by their physical and chemical properties, the elements which the human body needs: they are what may be called the essential foodstuffs.

These may, however, if occasion arises, be replaced by certain other foodstuffs that possess analogous nutritive properties and satisfy almost as well the average taste of the consumer: we shall call these substitute foodstuffs.

Finally there are manufactured foods or products that contain a large proportion of essential foodstuffs or of substitute foodstuffs.

The aim which the Government had constantly in view was to secure to each consumer his normal ration of essential or substitute

foodstuffs; it was these two categories of foodstuffs that were controlled, and also, as a consequence, those articles of food which were merely compounds of the above.

The list of these was drawn up, on the basis of experience, as follows:

*Essential foodstuffs.*

- (1) Cereals convertible into bread.
- (2) Meat.
- (3) Sugar.
- (4) Milk, milk products, eggs.
- (5) Wine.
- (6) Oils and fats.

*Substitute foodstuffs.*

- (1) Potatoes.
- (2) Dried vegetables.
- (3) Saccharine.
- (4) Beer and cider.

*Products manufactured from essential foodstuffs.*

- (1) Pastry, biscuits.
- (2) Farinaceous pastes (e.g. macaroni).
- (3) Sweetmeats, chocolate.
- (4) Cheese.

*2. Mechanism and Degrees of Intervention.*

It may be said, generally, that administrative intervention took three principal forms; at times Government confined itself to regulating the production, sale, and consumption of certain commodities; at others it operated alongside of the trade, at others again it went so far as to take the place of the trade, in meeting the essential requirements of the consumer.

It should be remembered that, as pointed out in the Introduction, the power of intervention in its most comprehensive form was only conferred on the Government by the law of the 10th February 1918. Until then the action of Government rested only on special enactments (that of 1915 regarding cereals and that of 1916 regarding



fixed prices), or on such general powers of regulation as it possessed under French administrative law.

Nevertheless, both before and after 1918, the forms and mechanism of intervention were dictated by a real unity of conception and inspired by practical needs: for they aimed at securing for the consumer his ration of essential foodstuffs. It was this guiding principle, to begin with, that led to the various prohibitions of particular exports or imports that were decreed in the course of the war; we merely allude to these, as they are dealt with fully in another volume.

It was with the same object in view that, whereas in respect of the majority of foodstuffs Government confined its intervention to a restrictive control of their sale and consumption, in respect of the most indispensable of them, bread and sugar, it went to the length of instituting a complete monopoly of purchase from the producer and of distribution to the consumer.

Finally, it was in order to secure absolute equality of distribution that the restrictions imposed on the consumer went in some instances so far as individual rationing. This occurred only in respect of bread and sugar, and the ration was enforced by means of the sugar-book, the bread-ticket, and the food-card.

In order not to have to return later to the subject, it will be advisable to explain here the operation of the food-card, certainly the most original and complete experiment in the food control of an entire population that has ever been attempted.

It was instituted early in 1918, tried first in Paris, and rendered obligatory throughout France on the 1st June 1918. It was intended to permit of the strict rationing of a certain number of commodities; whence the form given to it. It consisted of a card taken from a register with counterfoils, showing the name, address, and profession of its owner, as well as the category to which he belonged, the rate of his ration depending upon this category. There was attached to this card a sheet of coupons, each coupon available for one month; the coupons for each month were numbered 1 to 6 and related to different commodities, either directly, where the ration was a monthly one (sugar), or through tickets to be given in exchange for a coupon, where the ration was a daily one (bread).

From June 1918, throughout the French territory, each con-

sumer was provided with a food-card; until the spring of 1919 rationed commodities could only be procured on surrender of coupons or of tickets representing them, and in quantities not exceeding those assigned to the consumer according to his category.

As a matter of fact only coupons 1 and 2 were obligatorily ascribed to particular commodities, No. 1 to bread and No. 2 to sugar. As regards the others, the Food Minister left it to prefects and mayors of communes to apply them, if they thought fit, to any commodities which it might appear necessary, as a result of local conditions, to control more strictly than was done by the General Decrees.

Of the numerous and complicated circulars relating to the food-card, most of them dealing with points of detail, we need only refer to the two General Circulars of 24th February and 24th October 1918, which contain the guiding principles and general rules on the subject. The instructions contained in the former of these may be summarized as follows:

As soon as preparatory declarations had been filled up by heads of families and sent in to the mayors of communes, the latter were to set against the name of each person appearing on them the initial indicating one of the following categories:

Children below 3 years of age.

Children from 3 to 12 years of age.

Children aged 13 and above

Adults

Men or women up to 60

Persons of more than 60 years of age.

} 1. Engaged in active work.

} 2. Engaged in other work or in no work.

The number of consumers in each of these five categories living in the commune was then to be totaled and communicated to the prefecture of the department; and the totals for the department were similarly to be communicated to the central office.

Food-cards, valid for six months, would then be supplied to the municipal authorities, who were to fill in on each card the name of the consumer to whom it was assigned; the cards were to be numbered in each commune, and to bear the stamp of the commune and the signature of the owner or head of his family. The cards were to be distributed to heads of families, or, in the case of schools and similar establishments, to the head of the establishment, who would

hand them to the owners when they left it temporarily or permanently.

It was decided that from the 1st January 1919 consumers should be provided with a new type of food-card, valid for an unlimited period; the circular of the 24th October 1918 gave the following instructions on the subject.

The card consisted of a folded cover and a sheet of coupons gummed thereto by its margin and renewable every six months. On the first page of the cover was the description of the holder and the initial indicating his category. The second page, besides holding the gummed margin of the coupon sheet, afforded space for the holder's photograph, in case he desired to use the food-card as an identity-card. The third page contained brief extracts from the relevant laws and the penalties for their infraction. The fourth page contained instructions relating to the use of the food-card and food-tickets.

Fresh individual declarations were required from all consumers with a view to rectifying a few errors which had occurred under the previous system. They were to be made in the particular commune where the consumer passed the night of the 21st-22nd November 1918, whether it was the commune in which he habitually took his meals or no, special provision being made for exceptional cases, such as persons traveling on the night in question, sailors, etc. The declaration form, which the consumer was required to fill in personally, contained an application, to be completed if desired, that the food-card should be delivered in a commune other than that in which the declaration was made.

The communal office, on receiving the necessary supply of cards and sheets of coupons, would fill in on each card the description of the holder, taken from his declaration, and give a serial number to the card and declaration. A coupon sheet appropriate to the category to which the holder of the card belonged would then be attached to the card, and card and coupon sheet would be stamped with the communal stamp, as an indispensable mark of authenticity. Instructions were added that the distribution of the completed cards to the consumers was to be carried out with extreme care, so as to complete the security against double issues and consequent waste.

To the various forms of intervention briefly analyzed above, whose operation in respect of the several commodities we shall see in the following chapters, may be added that of direct sales by the Food Department: a method adopted principally from 1919 onwards, in which the administration placed itself alongside of the trade both to coöperate in securing the supply of essential commodities and also to endeavor to check the rise in prices and gradually to restore the economic equilibrium of the market. These direct sales proved one of the most powerful and efficacious instruments of the 'policy of the application of economic laws,' which will be described in Chapter XVII.



## CHAPTER II

### CONTROL OF GRAIN, FLOUR, AND BREAD

#### 1. *Home-grown Cereals.*

EVERY Frenchman is a great bread-eater. Before the war the home production of cereals amply met all requirements; the harvest gave on the average 90 million quintals,<sup>1</sup> of which consumption absorbed 75 to 80 millions and seed 8 millions.

Soon after the war began, no later than the harvest of 1915, this happy equilibrium was upset: all the young and able-bodied agriculturists were in the ranks, and neither the efforts of those who remained nor the assistance given by women and children could prevent a diminution in the area of cultivation and in the yield per acre; every year the deficiency in the cereal supply became greater.<sup>2</sup>

While production diminished, consumption, if it had not been controlled, would have increased; for the ration of troops in the field, 600 grams (21 oz.), exceeded the normal consumption. There could be no question of reducing this ration, and the civil population had accordingly the prospect of a real scarcity of its principal food, a danger all the more formidable that the scarcity would inevitably be accompanied by an acute rise in price.

The Government gave special attention to this question as early as 1914 and it was largely with a view to its solution that a special Food Department was formed in September of that year (see page 161). But at first no one realized the dimensions that the problem would presently assume, nor the difficulties that it would present as the gap between production and consumption grew larger and the obstacles to the importation of foreign cereals increased.

Limited measures sufficed to meet requirements until 1917. After that year a far more extensive and more vigorous intervention of Government became necessary, and had to be continued for nearly two years after the armistice. It was only in 1920 that it became possible to contemplate and prepare for the decontrol of the production and sale of cereals.

<sup>1</sup> Roughly 9 million tons.

<sup>2</sup> For statistics of the yearly output, see appendices to first part of this volume, *Agriculture in France during the War*.

In tracing the main lines of the history of this intervention, we should distinguish three periods:

- (1) from 1914 to the decree of 30th November 1917,
- (2) from 1917 to 1920,
- (3) from 1920 to 1st August 1921.

Let us here add, though the matter will only be dealt with in Part II, that beyond procuring bread in sufficient quantity to meet the needs of consumption, the Government had further to see that its price remained approximately constant. It was to secure this double object that it decided at the most critical period to set up a monopoly of the purchase and distribution of cereals.

*First period: from 1914 to the decree of 30th November 1917.*

During this first period, administrative action was restricted: measures were promulgated with a view to reserving all available grain and flour for the manufacture of bread; Government coöperated with the trade in purchases and sales of supplementary quantities; but it maintained the freedom of commerce both in home-grown and foreign cereals; it set up no control over flour-mills or bakeries, and imposed no restrictions on consumption.

(1) *Regulations.* In order to obtain the maximum yield of flour from the grain available, the percentage of extraction was, to begin with, regulated by a succession of laws and decrees. Before the war the majority of French flour-mills extracted at 70 to 72 per cent. A law of October 1915 fixed the extraction at 74 per cent; the following year it was raised successively to 77 per cent and 80 per cent; the decree of 3rd May 1917 fixed it at 85 per cent; finally the decree of the 30th November 1917 directed that flour should contain the whole of the components of the grain except bran and impurities. These measures resulted no doubt in the production of a somewhat grey and heavy bread, but on the other hand in considerable economies.

The same decree of 3rd May 1917 prescribed that wheaten flour should be utilized for no other purpose than bread-making and a decree of the 8th May following extended the rule to substitute flours.

On the other hand the law of 8th April 1917 authorized, and the decree of 8th May 1917 rendered obligatory, the mixture of substi-

tute flours (rye, barley, buckwheat, bean, rice) with wheaten flour in proportions varying from 15 to 25 per cent.

Finally a decree of February 1917 forbade the sale of new bread, that is to say of bread until twelve hours after baking, and of fancy breads and cakes; bakers alone were allowed to sell wheaten flour retail, and the quantity which might be sold to one person was limited to a quarter of a pound. At the same time strict regulations were applied to the manufacture and sale of pastry, biscuits, and farinaceous pastes.<sup>3</sup>

(2) *Supplementary purchases and sales.* Mobilization had disorganized not only agriculture but commerce; the latter moreover found its consignments blocked by the military control of the railways and by the priority naturally given to goods in which the armies were directly interested. Thrown back on its own resources, normal commerce could not have met all requirements; in particular it would have been unable to supply the regions where production was unequal to consumption. Without attempting as yet to step into its place, the Food Department recognized from the moment it was formed that it was bound to make use of its facilities as a State Department and to work by the side of commerce, supplementing it where it failed.

At the outset, for this purpose, the Government addressed itself to Chambers of Commerce and opened credits in favor of some of these to enable them to purchase and sell grain and flour for civilian consumption. The result was disappointing; inadequately staffed and equipped, the Chambers proved unable to render the services expected of them. Accordingly, in 1915, the Government decided to act directly.

But for this purpose, as we have already explained, the authority of Parliament was necessary: it was given by the law of 16th October 1915, which provided that during the war recourse might be had to requisition to meet the needs of the civil population in grain and flour, and that the power of requisition should be exercised by the prefects or their delegates. It further directed the Minister of Commerce to purchase grain and flour at home, in the colonies, and abroad, to cause these commodities to be requisitioned if necessary, and to sell them according to the requirements of consumption. As

<sup>3</sup> See below, pages 230 *et seq.*

already stated,<sup>4</sup> the financial system to be followed was also laid down.

The purchases effected in France by the Food Department from October 1915 to the end of 1916 amounted to 45,963,107 frs.

*Second period: 1917-1920. The monopoly of cereals.*

The above measures succeeded during the first two years of the war in maintaining an equilibrium between supply and demand, without imposing very severe restrictions on the population.

From the beginning of 1917 the situation became more serious; harvest prospects were poor—in fact, there was a deficit of 45 million quintals;<sup>5</sup> purchases abroad were becoming increasingly difficult and expensive; and maritime transport was seriously threatened by the growing vigor of the German submarine campaign. The Government found itself obliged to set up a direct and thorough control of supply, distribution, and consumption, and to restrict the latter.

It began by requesting prefects, in a circular of May 1917, to do what was possible, compatibly with regard for the habits of the people, to reduce the consumption of bread by civilians; they were to exercise a 'gentle and continuous pressure' on millers and bakers, and use their influence to secure that all waste was avoided in hotels and restaurants and that bread was served in as thin slices as possible. This was an attempt at unofficial rationing, and yielded no appreciable results.

Three months later a fresh and very important stage was reached on the road to the monopoly of cereals. It was decided by decree of 31st July 1917 that thenceforth the purchase and distribution of all cereals—for the civil population as well as for the Army—should be placed under the control of the State. A Central Cereals Office and a Central Milling and Baking Committee were set up at the Ministry of Food, and in each department a Cereals Office responsible for supervising purchases of grain, for keeping millers and bakers supplied, and for the control of the manufacture and sale of bread.

The same decree regulated baking and bread consumption and set up a ration system on the following general lines.

<sup>4</sup> See page 163.

<sup>5</sup> Roughly 4½ million tons.



Each consumer or head of a household was to make a declaration in a 'bread-book' of the quantity of bread he required on the basis of a daily maximum of

300 grams (about 10½ oz.) for children from 1 to 6 years of age;

500 grams (about 17½ oz.) for persons above 6 years of age. A supplementary ration of 200 grams (about 7 oz.) was allowed to any person declaring it necessary to his nutrition, and of 400 grams (about 14 oz.) to consumers doing active work.

One sheet of the bread-book was retained by the consumer, the other was given to the baker, and the latter received from the departmental Cereals Office a quantity of flour corresponding to the total shown on the sheets in his possession.

This system was extremely complicated and yet lacking in precision; it did not regulate consumption in proportion to the true needs of the consumers, and it did not give the Minister the general and absolute powers that he required. Moreover the system was not put completely into force. And yet the need for action was urgent.

The harvest of 1917 yielded only 39,482,000 quintals, of which 8,482,000 were required for seed;<sup>6</sup> the interallied program of imports had fixed France's share of these at 34,200,000 quintals; so that a total of only 65 million quintals was to be counted on for the year 1918. On the other hand the normal requirements of the armies and civil population were estimated at 78 million quintals; there was accordingly a deficit of 13 million quintals.

As soon as M. Vilgrain became Under Secretary of State for Food, he resumed and completed the examination of the question, and on the 30th November 1917 promulgated the system that finally secured until the end of the war the regular supply of grain, flour, and bread.

This scheme in its main lines, to which we shall confine ourselves, comprised three essential parts:

Delivery and distribution of cereals;

Control of milling;

Control of baking and rationing of bread.

<sup>6</sup> Quintals may be roughly converted into tons by dividing by ten: 39,482,000 quintals are approximately equal to 3,900,000 tons.

*Delivery and Distribution of Cereals.*

Until the harvest of 1917, the supply of cereals for the armies and the civil population had been effected by two methods: on the one hand through the Commissariat, which requisitioned; on the other through the trade, which operated normally. This duality was open to serious objections: the competition thus set up between the Commissariat and the trade had the twofold result that supplies eluded the Commissariat and went to the dealers, who offered better prices, and that the requisition price, at whatever figure it was fixed, became at once the minimum price.

The decree of 31st July 1917, described above, had recognized the necessity for unification of purchase, but the logical consequences of this conception had not been followed out; the dealers, who were the only purchasers of grain, were merely placed under the control of the State, but this control was insufficiently organized and equipped.

The decree of 30th November 1917, on the contrary, laid down clearly the principle of the entire purchase of all home-grown cereals by the State. From the 1st January 1918 all cereals, of the kinds enumerated by the decree, by whomever held, whether threshed or in the sheaf, were requisitioned for state account. The only exceptions were the following, within limits to be fixed for each department by prefectural *arrêté*:

- (1) The cereals required for seed.
- (2) The cereals required for the food of families employed in agriculture.
- (3) The cereals other than wheat required for the food of livestock belonging to the producer.

The whole home-grown crop was thus, as it were, laid under embargo and placed at the State's disposal; but who was to take it over? The task would have been beyond the powers of the Commissariat, which had neither the staff, the implements, the means of transport, nor the storage required, and was moreover unfamiliar with the commercial methods which had necessarily to be followed.

On the other hand it would have been unfair to exclude normal commerce systematically from this operation; what was required was not to institute a régime of absolute state management, but to

organize a fruitful coöperation for a common purpose between the administrative service and individual initiative.

The authors of the decree understood this and wisely provided three alternative methods of delivery; the requisitioned cereals, in each commune, might be delivered by the producer either to the Receiving Commission, to millers, or to dealers and brokers licensed before the 1st June 1917. But the decree at once went on to say that the presidents of Receiving Commissions, millers, dealers, and brokers would be acting on behalf of the State, that they would notify the quantities purchased to the Permanent Bureau,<sup>7</sup> and hold them at its disposal. All the grain purchased by a miller would, however, failing instructions to the contrary in exceptional circumstances, be utilized to supply his mill.

At a time, moreover, when, as will be explained in Part II,<sup>8</sup> the price of cereals payable to the producer was rigorously fixed, it was important to secure that no cereals escape the general requisition. Accordingly cereals transported by road had to be accompanied by a permit issued by the mayor, and those dispatched by rail or water, by a permit issued by the Permanent Bureau. Further, by *arrêté* of the 30th January 1918, a special service of supervision of stocks and of threshing was organized in the central administration and in the departments.

Having taken delivery of the whole crop, how were the Supply services to effect its distribution? This task was entrusted to the Permanent Bureaus, which, throughout the period of monopoly, were the mainspring of the system. In the Cereals Office, created in each department by the decree of 31st July 1917, there was established a Permanent Bureau, composed of the Commissariat officer responsible for supply in the department, of the Controller or Controllers of flour-mills, and of four members selected by the prefect among presidents of Receiving Commissions, agriculturists, and the staff of the departmental Office.

The basis of the distribution which the Bureau was to effect was the ration of cereals fixed for the department by the Minister on the prefect's proposal, a ration calculated on the number of inhabit-

<sup>7</sup> See page 181, below.

<sup>8</sup> See page 253, below.

ants in the department, the rates of their bread rations and the quantities of cereals left in the hands of farmers for the consumption of their families.

The distribution had to be made among the flour-mills supplying the department; if the quantities of which the Permanent Bureau disposed were below the amount of the ration of the department, further quantities were dispatched to it by the central service either from other departments having a surplus or from foreign imports.

The Permanent Bureau was further responsible (a) for the payment to millers, brokers, and dealers of the price of the cereals purchased by them for the account of the State, and for all other financial settlements in this connection; and (b) for the distribution of the flour among bakers.

The flour-mills among which the cereals were to be distributed were in their turn submitted to a very severe control.

### *Control of Milling.*

The milling industry did not become a state monopoly but, under the decree of 30th November 1917, it may be said to have lost all autonomy. All mills were placed under the supervision of the Minister of Agriculture and Food, a supervision exercised concurrently by agents of the Service for the Prevention of Fraud, by officials of the Commissariat, and by departmental controllers.

Moreover each flour-mill was allowed to grind only the grain assigned to it, whether such as the miller had been authorized to purchase on State account or such as had been delivered to him by the Permanent Bureau or the central service at a fixed price.

Finally the conditions of the manufacture and sale of flour were minutely regulated. The process of milling wheat was to be such that only wholemeal flour and bran were produced. The wholemeal wheaten flour was to be mixed in defined proportions with the flour of one or more other cereals, this flour to be extracted at a fixed percentage. The price of the wholemeal wheaten flour whether mixed or not with other flours was fixed at 51 frs. the 100 kilos (220 lb.); millers were forbidden to sell at a higher price or to deliver flour to any but authorized persons. Approved samples of different flours would be deposited in each prefecture and any flour found to depart



in quality from these samples would render the miller liable to prosecution.

The ration of cereals assigned to each mill depended on its capacity and the number of bakeries that it supplied. The control of baking and consumption enabled this ration to be fixed with precision.

### *Control of Baking and Rationing of Bread.*

The general requisitioning of cereals and the control of milling, designed as they were to secure that all cereals capable of conversion into bread were effectively so employed, would by themselves have been insufficient, since, as we have seen, the total supply of foreign and home-grown cereals fell short of the normal needs of consumption by nearly 13 million quintals. Consumption had therefore to be reduced and each individual subjected to a maximum allowance of bread.

The decree of 30th November 1917 conferred on the Government the powers necessary for the purpose. To begin with, it regulated the manufacture and sale of bread: bread was to be sold by weight; the sale of fancy bread was to be restricted; no bread was to be made with an admixture of milk, sugar of milk, sugar or butter; nor were pastry or biscuits to be made out of wheat, rye, maize, barley, buckwheat, oat, or rice flours; the quantities of bread to be served in hotels and restaurants were to be limited to 100 or 200 grams per meal ( $3\frac{1}{2}$  or 7 oz.) according as the price of the meal did or did not exceed 4 frs.

Then it laid down the principle of rationing. This resulted in the first place from the allotment to each department of a limited quantity of cereals; and, in communes containing at least 20,000 inhabitants, from the introduction of the bread-card, the rules as to which were settled by *arrêté* of the 1st December and for 18 months governed the whole of the consumption of bread in France. The bread-card was put into force in Paris on the 1st February 1918 and generalized throughout all communes on the 1st June following. It should be remembered that from the 1st April of that year bread-tickets were issued against the surrender of coupon No. 1 of the food-card.

The rations were fixed as follows:

<i>Category</i>		<i>Maximum daily allowance per head</i>
Workers in professions involving active labor.	} 1. Men over 16	600 grams (21 oz.)
Agricultural workers not consuming their own cereals.		500 grams (17½ oz.)
Persons of very small means.		
Workers in less active professions.	} 1. Men over 16	400 grams (14 oz.)
Persons of small means.		300 grams (10½ oz.)
All consumers other than the above.		200 grams (7 oz.)

In addition to a bread-card (or subsequently food-card), each consumer received monthly from the bread-office<sup>9</sup> of his commune a book containing as many tickets, each representing 100 grams of bread, as were equivalent to his ration for the month on the above basis.<sup>10</sup>

Bakers, hotel and restaurant keepers were to supply bread only against surrender of tickets and only up to the quantity represented by those tickets. Fancy bread or diet bread might be supplied instead of ordinary bread in proportions, and subject to conditions, laid down by the Ministry and posted in bakers' shops.

Any infraction of these rules by bakers rendered them liable to forfeit their supply of flour for a certain number of days, on decision of the prefect taken after consulting the communal bread-office; and this without prejudice to any other penalty provided by law.

The enforcement of the regulations was secured by the supervision of the bakeries, which were each of them assigned to a particular flour-mill and were only allowed to receive a quantity of flour corresponding for each month to the bread-tickets that they had received from their clients during the preceding month.

Such, apart from the control of the prices of grain, flour, and bread, which will be dealt with in Part II, were the main features

<sup>9</sup> The communal bread-office was composed of the mayor of the commune, one or more municipal councilors and an equal number of bakers and consumers.

<sup>10</sup> Provision was also made for the issue of provisional cards to persons temporarily away from home, soldiers on furlough, etc.

of the system instituted by the decree of 30th November 1917.<sup>11</sup> Though minutely detailed and complex, it was none the less fairly adaptable in its working; it laid upon the Food Department the whole responsibility for the provision of bread, since at every stage from production to consumption nothing could be done without its intervention and control. Though not a system of absolute state management, since the rôle and action of the trade were judiciously reserved, it was a system that subjected the producer, miller, baker, and consumer to supervision and control.

This system was maintained until 1920, with slight modifications introduced in March and April 1918 and in March and April 1919. These modifications related especially to the conditions of manufacture of bread and to the quantity of the ration. In February 1918 the restrictions on the baking and sale of fancy breads and diet breads were made more severe; the sale of bread supplemented by meat, butter, jam, etc., was forbidden; trafficking in bread-tickets was prohibited, likewise the delivery in advance to bakers of tickets representing more than a three days' ration.

As regards the quantity of the ration, this had to be further reduced early in 1918; by circular of 21st March it was fixed as follows:

(1) Children under 3	100 grams (3½ oz.)
(2) Children from 3 to 13	200 grams (7 oz.)
(3) Children over 13 and men and women not more than 60, not engaged in active occupations	300 grams (10½ oz.)
(4) Adults engaged in active occupations	400 grams (14 oz.)
(5) Men and women over 60	200 grams (7 oz.)

An addition of 100 grams (3½ oz.) might be made to the ration of the fourth category if the consumer were engaged in specially heavy labor, which included night work and agriculture; and an addition of 100 to 200 grams (3½ to 7 oz.) to the ration of the fifth category in similar conditions.

This was the severest ration that prevailed in France at any

<sup>11</sup> The details of the system may be studied in the text of the decree itself and in the elaborate explanatory circular of the 28th December 1917, which are given in the original French text of this work.

moment of the war; its rigor will be appreciated if it is remembered that the average daily pre-war consumption varied between 400 and 500 grams per head (14 oz. to 17½ oz.).

Indeed, as soon as it became possible, the Minister of Food relaxed its severity: the harvest of 1918 was less bad than that of 1917 and allowed the ration of certain categories to be raised; that of children from 3 to 13 was fixed at 300 grams (10½ oz.), that of adults engaged in active occupations, including agriculture, at 500 grams (17½ oz.), and that of consumers between 13 and 70 not engaged in active occupations and that of old people over 70 not engaged in agriculture at 300 grams. (Decree and *arrêté* of 10th October 1918.)

But if consumers were thus subjected for nearly two years to real privation in respect of an essential foodstuff, this self-denial achieved its purpose: from a monthly average in 1915, 1916, and 1917 of 650,000 tons, consumption fell from the beginning of 1918 to 430,000 tons, an economy varying in different departments from 22 to 40 per cent and amounting to 30 per cent for the whole of France. Thanks to this sacrifice—more severe, be it remarked, than any that our Allies imposed upon themselves—the armies were constantly provided according to their needs, and if every citizen did not always get what he thought he ought to have, he was always assured at least of having what was indispensable.

### *Third period: 1920-1921. Decontrol.*

Public opinion abandoned itself, on the morrow of the armistice, to an optimism that a dearly bought victory explained, but that the general economic situation did not yet justify. It was thought that the era of difficulties and restrictions was over, that the pre-war conditions of life would immediately revive, and on all sides there was a demand for decontrol.

Doubtless no one was more anxious to repeal the war regulations than M. Vilgrain, for he believed that the market could only recover its equilibrium under the normal play of economic forces; but no one realized better what in the actual conditions was possible. No long study was required to establish that the normal agencies of supply, as regarded particularly cereals, flour, and bread, were incapable of resuming their normal functions immediately.



It was evident that the harvest of 1919 would still show a deficit, for demobilization had begun only after the grain had been sown; large quantities of grain and flour would, in consequence, again have to be purchased abroad; the milling industry and the trade in grain had indeed, as we have seen, been called upon to coöperate in working the system of 1917, but under conditions that in a large measure deprived them of their initiative; and the bakers, who had been condemned to bake only the flour assigned to them as strictly necessary to supply the rations of their customers, had little by little become mere workers to order.

Taking these psychological considerations into account, M. Vilgrain recognized the dangers of an abrupt change from a régime of absolute control to one of entire commercial liberty; but he strove to prepare the way by progressive measures, by gradually relaxing the severity of the regulations, and by setting up a transitional system under which production and trade could little by little resume their former activity.

He concerned himself first of all with the price of bread; we merely mention the point here, for it will be dealt with in Part II.

He next turned his attention to the mitigation of the control to which the manufacture and consumption of bread were subjected. The decree of the 27th March 1919 modified the regulations governing the manufacture and sale of fancy breads, diet breads, and even pastry. Then on the 1st June 1919 the system of bread-tickets was abolished; complete liberty of consumption was, no doubt, not restored, but consumption was controlled henceforth only so far as concerned the quantities assigned to each department, and the quantities so assigned admitted of an average ration of 400 grams (14 oz.) per consumer.

Further, as early as July 1919 he proposed and obtained the suppression of all control over the trade in, and over the movement and prices of, beans, grain other than wheat, and flour other than wheaten. But this experiment, at least so far as it related to cereals properly convertible into bread, was premature. In consequence of the insufficiency of the harvest and of the high price of oats (offering an inducement to farmers to feed rye to their stock), rye and meslin and the flour thereof were again, by decree of 26th August 1919, subjected to general requisition.

Finally, he had, when he left office, nearly completed the draft of the arrangements that were to apply to the harvest of 1920; these were taken up again by his successor and embodied in the law of the 9th August 1920 and the decree of the 25th of the same month.

Under this law the country's supply of cereals until the 1st August 1921 was to be secured by purchase, and the Minister of Commerce was to buy cereals and to distribute the cereals purchased according to the requirements of consumption. The prices payable for wheat, rye, and meslin and the rules governing their sale and distribution were to be fixed by decree, and likewise the sale price of flour and bran. Failing purchases by agreement, prefects might have recourse to requisition both of grain, flour, and bran, at the prices fixed as above, but only after special authorization by the Minister of Commerce. From the 1st August 1921, as regarded the grain grown in that year, the trade in cereals at home was to be free.

This régime, it will be seen, was still very similar to that instituted by the decree of 1917. The State still took over and distributed all cereals; but these were no longer subject to general requisition, and purchases by agreement were to be the rule; above all, the scheme was put forward as purely transitional, to last until the 1st August 1921. Thus warned a year ahead, producers and dealers, millers and bakers, were in a position to take measures with a view to resuming their proper rôles.

Moreover a decree promulgated on the 26th August restored commercial practice in the matter of payment for the cereals purchased on account of the State, and while it retained the supervision of the Food Department over flour-mills and bakeries, it gave greater elasticity to their relations among themselves and with the Permanent Bureaus.

These steps towards the restoration of normal conditions were completed in 1921. The law of the 5th May, to begin with, entirely liberated the movement of home-grown cereals and flour within the country. It was followed by the decree of the 10th May, which freed, from the 15th May, the purchase, sale, and movement of all cereals and flour in the country, though the State reserved the right of making purchases to meet specially urgent requirements; it also authorized flour-mills to work for bakers as they chose, and to pro-

cure grain either by direct purchase or by application to the Food Department.

It may be said, in short, that liberty was restored on the 15th May 1921; of the old control all that remained were the fixed price payable to the producer for cereals and the fixed prices of flour and bread.

Finally the decree of 15th June 1921 reëstablished the free import of foreign cereals and flour.

Thanks to these successive measures the transition was effected without hitch, and the country was not even aware that on the 1st August 1921 the Supply Services, after six years of uninterrupted toil, had handed over the responsibility for the provision of cereals and bread to those on whom it normally reposes.

## *2. Imported Cereals.*

The state monopoly was even more complete in respect of foreign than in respect of home-grown cereals; from 1916 to 1921 the import of cereals and flour was forbidden, and their purchase, transport, and distribution rested entirely with the Food Department. The burden was a heavy one, for, as we shall see, the quantities that had to be imported each year to make good the deficit in the home production were very large.

*Purchases.* The State began to purchase abroad as soon as the necessary powers had been conferred on the Government by the law of 16th October 1915; these purchases went on, during the last months of 1915 and the whole of 1916, concurrently with those of the trade, whose freedom had not been restricted and whose activity had even been stimulated by the suspension of import duties on grain and flour (decree of 31st July 1914). The state purchases during this period were effected by the Minister of Commerce, that is to say, by the Food Department. Down to the end of 1916 they amounted to 2,163,000 tons of wheat and 179,000 tons of flour, the latter representing 223,000 tons of grain; so that the total grain purchased amounted to 2,386,000 tons.

These imports were drawn as follows from the principal grain-producing countries:

## FOOD SUPPLY

<i>Wheat</i>	<i>Tons</i>
Australia	591,000
Canada	711,000
British India	25,000
Russia	309,000
Argentine	324,000
United States	200,000

<i>Flour</i>	
Canada	164,000
Other countries	55,000

The purchases, it will be seen, were effected so far as possible in Allied countries, which offered the best facilities for payment and transport.

After 1916 the method changed; we have explained in the Introduction the reasons that obliged the Allies to act in concert and to substitute a system of buying in common on an agreed program for that of independent purchases. This system was initiated by the agreement of the 29th November 1916, which set up in London, under the name of Wheat Executive, a triumvirate of representatives of France, Great Britain, and Italy, vested with the widest powers and staffed and organized like a great commercial house. It was this body that carried out, until August 1919, all purchases of cereals for the Allies, distributed the quantities purchased according to their recognized needs, arranged for freight by means of the shipping that the Allies placed at its disposal, and settled payments. At the same time, in order to secure the Wheat Executive's monopoly, imports by the trade were prohibited.

As regards the distribution among the Allies, it was at first settled by the Wheat Executive itself, and from 1918 onwards by the Inter-Allied Food Council. For the year 1916-1917 the shares were fixed as follows:

	<i>Tons</i>	
Great Britain	5,020,000	equivalent to 55%
France	2,021,000	equivalent to 22%
Italy	2,160,000	equivalent to 23%
	<hr/>	
Total	9,201,000	



For the year 1917-1918 the shares were as follows:

	<i>Tons</i>
Great Britain	5,330,000
France	2,700,000
Italy	2,942,000
<hr/>	
Total	10,972,000

The importance of the rôle played by the Wheat Executive is evident from these figures; but its activities were not limited to the purchase of cereals and flour: it also acquired for the common account glucose, malt, rice, haricot beans, peas and lentils, and manioc flour.

The system was maintained until August 1919, when Great Britain thought it necessary to denounce the Wheat Executive agreement. The French Government was thereupon obliged to resume independent purchases, notwithstanding the difficulties involved; for the exporting countries withdrew the state credits that they had hitherto granted. These purchases nevertheless continued, though on somewhat onerous terms, until early in 1921; they were effected principally in the United States and the Argentine, through business houses that were in a position to take payment in francs, and the quantities purchased exceeded 5 million tons.

*Freight.* In order to secure the transport of the goods that it purchased abroad, amounting on the average to 5 million tons a year, the Supply Service was obliged at the end of 1915 to form its own fleet. The ships composing it may be divided into three categories, ships owned by the Food Department, ships on time charter, and ships on voyage charter.

*The Food Department Fleet.* This fleet was constituted by means of contracts passed between the Minister of Commerce on the one hand and the Hudson's Bay Company, and its subsidiary, the Bay Line Steamships, Ltd., on the other: a contract of November 1915 for the purchase of not more than 10 ships, flying the British flag; a supplementary contract of January 1916 for the purchase of 15 additional ships, under the same flag; and a further supplementary contract of October 1916 for the purchase of an indeterminate number of neutral ships, which were to sail under the flag of the United States. Under these contracts the French Government enjoyed the entire disposal of the ships, without limit of time, but left

the management to the Hudson's Bay Company. The former might demand their sale to third parties, or require their surrender to itself in full ownership, subject to the British Government's regulations as to the sale to foreigners of British ships. On the other hand the ships were to be acquired by the Hudson's Bay Company or the Bay Line, which procured the necessary capital, and they sailed in its name. To protect the Company against possible loss, the French Government built up a reserve fund by monthly payments to the Company of 20 to 40 shillings per ton deadweight of the ships purchased, up to a total of 75 per cent of the purchase price of the first lot of ships and 90 per cent of the purchase price of the second and third lots. The French Government also paid to the Company interest at slightly more than Bank of England rate on the amount of the purchase money expended less the amount of the payments to the Reserve Fund account. In the event of resale to third parties the Company was guaranteed the price originally paid for the ships, but it credited the French Government with the proceeds of the sale including any profit and with the amounts paid into the Reserve Fund. The Company was reimbursed the cost of working the ships and of their insurance, and received a commission of 4 to 6 pence per month per ton deadweight.

These conditions were advantageous to France: at the 30th September 1916 the cost of the ships worked out at 30s. 9d. per ton per month, all expenses included, whereas the commercial freight rate in December 1916 reached 40 to 45 shillings per ton per month, and this included no right of property over the ship freighted. After the Reserve Fund had been fully constituted, the cost of working came to about 13s. 6d. per ton per month, including the normal commercial sinking fund, calculated to write off completely the cost of the ship in ten years.

(1) *Ships on time charter.* Freight on time charter was largely secured direct by the Supply Service, notably as regards all French vessels. Foreign vessels were mainly chartered through the Hudson's Bay Company, which received a commission of  $2\frac{1}{2}$  per cent on its disbursements. The cost of these charters worked out on the average at 20s. 5d. per ton per month, a notable economy as compared with the commercial rate of freight of about 40 shillings a month.

(2) *Ships on voyage charter.* These were chartered by the same

method as the vessels on time charter: most foreign contracts were made by the Hudson's Bay Company on the terms above stated; the remaining ships, including all French ships, were chartered direct by the Food Department. Freight rates were obtained at the commercial rates, calculated on the length of the voyage.

At the end of 1919 the fleet of the Food Department represented 1,500,000 tons of shipping, composed as follows:

	<i>Tons</i>
22 vessels owned by the Hudson's Bay Company	113,442
80 vessels on time charter by the Hudson's Bay Company	470,000
42 vessels on voyage charter	150,000
Ships belonging to the State placed at the disposal of the	
Food Department	470,000
Tonnage freighted from various Companies	250,000
Sailing vessels	115,000

### *3. Distribution.*

A complete organization was set up by the Food Department to deal with the unloading, reception, transit, and distribution of imported grain and flour, based on the flow of imports and the geographical situation of the principal ports.

The territory was divided into four zones:

- (1) North, Northeast, Northwest, and Paris;
- (2) West and Center;
- (3) Southwest;
- (4) Southeast.

The ports were classified in three categories:

- (1) Principal ports for import traffic;
- (2) Ports combining import and coastwise traffic;
- (3) Ports for coastwise traffic.

The principal ports had a complete staff, including a Controller and a technical superintendent, who generally had the secondary ports under their supervision; the latter had smaller staffs, composed of a technical superintendent and transit officer, or transit officer alone.

After being discharged at the port, the grain and flour were forwarded to the departments assigned to that port; they were consigned to the Permanent Bureaus, which arranged for their distribution among flour-mills and bakeries in accordance with the system already explained.

## CHAPTER III

### THE CONTROL OF MEAT CONSUMPTION

#### 1. *Fresh Meat.*

DURING the first two years of the war the Government did not have to concern itself with the meat supply of the civil population: thanks to the variety and abundance of the French live-stock and to the imports of refrigerated meat, all requirements were met.

But the situation changed at the end of 1916. The needs of the Army were constantly increasing; imports, ousted by war material and hampered by submarine attacks, were slackening; and the inconsiderate manner in which the Commissariat frequently carried out its requisitions was causing unnecessary damage to the country's live-stock; a crisis threatened and the intervention of Government became necessary. An inquiry carried out in the last months of 1916 revealed a reduction of 10 per cent in the head of stock, and a falling off of quality as well, for beasts were less well cared for and less well fed.

A reduction of civil consumption had become an absolute necessity, and the Minister of Food decided early in 1917 to effect it. But it should be noted that the measures taken to this end were only temporary and were limited in each year to the specially critical period of supply, between the marketing of stall-fed and of grass-fed cattle, that is to say between April and October.

#### *Control under the decrees of the 14th and 24th April 1917.*

The decree of the 14th April 1917 inaugurated the system of meatless days. 'From the 15th May to the 15th October 1917, the sale or offer for sale of meat, whether fresh, frozen, salted, or preserved, is prohibited on the Thursday and Friday of each week.'<sup>1</sup> On these same days meat and dishes containing meat were not to appear on the menus of hotels, restaurants, and similar establishments.

<sup>1</sup> In practice the two meatless days were Monday and Tuesday. The prohibition extended not only to butcher's meat but to pork, poultry, rabbits, and game.



A corresponding control of butchers' and pork-butchers' shops, of slaughter-houses, and of the transport of meat had to be instituted to secure the observance of this prohibition. Shops and market-stalls for the sale of meat were ordered to be closed on the meatless days, and slaughter-houses, whether public or private, from 11 P.M. on Tuesday to 6 A.M. on Friday. The transport of slaughtered meat was forbidden from Tuesday to Friday.

Exceptions to these rules, subject to the precautions necessary to obviate abuse, were provided for in favor of the sick. Prefects were authorized to designate certain butchers' shops that might within prescribed hours on the meatless days supply a limited quantity of meat (not more than 350 grams—about  $\frac{3}{4}$  lb. per head) for sick persons, on presentation of a duly authenticated medical certificate.

These regulations only came into force on the 15th May 1917; as provisional measures were immediately necessary, the decree of the 24th April directed that during the period 25th April to 19th May no meat should be served in establishments open to the public after 6 P.M. except on Sundays, and that butchers' and pork-butchers' shops and triperies should be closed from 1 P.M. daily.

The two meatless days reduced consumption in no inconsiderable degree: from 1,640,987 tons in 1916, the amount of butcher's meat consumed fell to 1,481,400 tons in 1917.

But a greater effort to reduce consumption became necessary in 1918: for French live-stock had diminished by a further 7 per cent, and from January to April 1918 imports had reached only 60,000 tons in place of 80,000 tons, a deficiency of about 80,000 head of cattle. The decree of the 26th April 1918 introduced accordingly a more stringent form of control.

*Control under the decree of the 26th April 1918.*

This control was, in its essential elements, identical with that of the previous year: the meatless days, the closure on those days of butchers' shops, and the other features, were reproduced, but

(1) the meatless days were increased to three: Wednesday, Thursday, and Friday;

(2) the number of head of stock slaughtered each week in each slaughter-house was not to exceed, for each class of animal, two-

thirds of the number of head slaughtered weekly on an average during March 1918;

(3) the maximum allowed for sick persons on meatless days was reduced from 350 grams to 300 grams ( $10\frac{1}{2}$  oz.);

(4) an *arrêté* of the 11th May prescribed that no consumer should be supplied on Tuesdays with more than 200 grams (7 oz.) of butcher's meat, and this only on surrender of one of his food-card coupons.

The régime of the three meatless days was enforced from the 15th May to the 16th July 1918. The economy effected was of about 25 per cent, the total consumption falling to 1,336,319 tons.

In 1919 and 1920 fresh measures of control happily proved unnecessary.<sup>2</sup> Demobilization led to a marked diminution in the amount of meat consumed, and on the other hand, from early in 1919, the Under Secretary of State for Food was able to place large quantities of frozen meat at the disposal of the civil population.

## *2. Frozen and Refrigerated Meat.*

*Monopoly of import; sales.* From the outbreak of war and throughout its duration, the State reserved the absolute monopoly of the import into France of frozen and refrigerated meat. This measure was fully justified, for the requirements of the Army made it necessary to purchase very large quantities in the United States and the Argentine, and the Commissariat was in a stronger position to negotiate prices as the sole French purchaser in the foreign markets, where the other Allies were already active buyers; competition could only have resulted in raising prices.

The system of purchase exclusively by the State became still more inevitable when the interallied commissions were set up in 1917, notably the Meats and Fats Executive. From that time the whole of the transactions for the supply of frozen meat to the Allies was dealt with by that body, each Ally receiving the share allotted to it in the agreed program. As already stated, the work of the interallied commissions is described in another volume of this series, and we shall confine ourselves to giving a few figures to indicate the

<sup>2</sup> It may be noted, however, that the sale of pork had to be restricted from the 7th October 1918 to the 12th February 1919.

extent of the French imports of meat during the war. From 18,200 tons in 1914, these rose to

179,100 tons in 1915
219,300 tons in 1916
201,300 tons in 1917
228,300 tons in 1918
265,600 tons in 1919

Until early in 1919, practically the whole of the frozen meat imported was assigned to the armies, in consideration of the facilities of transport and distribution afforded by this course; only very small quantities were resold to meet the needs of the civil population. In 1919, on the contrary, M. Vilgrain largely increased the amount assigned to butchers and to coöperative societies. As we shall see in Part II, he was able thereby to exercise a decisive influence on meat prices, the rise of which was causing profound uneasiness.

The assignments of frozen and refrigerated meat were organized and carried out directly by the Food Department; for the quantities available were not so great as to admit of a decentralized system of distribution, based on the rationing of departments, such as had been adopted for cereals and sugar. As all demands could not be met, some discrimination was necessary: the meat had to be distributed with due regard to the economic conditions of the several districts, their local resources, and the requirements of their population. The agricultural districts were practically excluded from the distributions, and precedence was given to the great cities and the working-class centers. We shall see in Part II on what terms the meat was handed over and the beneficial effect on the course of prices.

*Restoration of freedom of import.* The interallied supply commissions came to an end in 1919, and the contracts made by the French Government for the supply of frozen meat were to expire in the course of 1920. The Minister of Commerce did not think it advisable to renew them and proposed early in that year to restore the free import of this class of meat. But the measure could not be carried out at once, for the trade was not prepared for it; it required time to equip itself to receive imports, and above all to make the necessary contracts for supply and freight, so that there might be no interruption in the flow of arrivals.

The decree of the 24th February 1920 accordingly fixed the following 1st June as the date of the removal of the prohibition on the import of frozen or refrigerated meat. This measure did not, however, at first work quite smoothly: it was noticed before long that refrigerated meat, in consequence perhaps to some extent of the consumer's persistent preference for fresh meat, was offered for sale at a price approximating to that of the latter and consequently much too high. It was therefore thought necessary, without going back on the principle of freedom of import, to regulate afresh the imports of frozen meat. This was the purpose of the decree of the 19th November 1920, which will be more fully analyzed in Part II, as it deals especially with the price of meat. We will merely note here that it made the import of frozen or refrigerated meat dependent on a permit issued by the Minister of Finance on the proposal of the Under Secretary for Food, the application for the permit having been supported by a statement of

- (1) the nature and category of meat to be imported;
- (2) the source of supply and date of slaughtering;
- (3) the quantity to be imported;
- (4) the ports of lading and unlading;
- (5) the maximum price c.i.f. or ex-depot at which the meat would be sold or offered in France.



## CHAPTER IV

### SUGAR CONTROL

IN respect of sugar, as of wheat, the war brought about, by the end of 1914, an insufficiency of home production and a rise of price. France produced before the war more than enough sugar to cover all her requirements. These amounted to about 700,000 tons a year, of which 500,000 were needed for private consumption, and 200,000 for industries employing sugar as a raw material; whereas, on the average, from 750,000 to 800,000 tons were produced and the output had even reached one million tons in 1901-1902.

The invasion of the Northeastern departments in August 1914, and the destruction or occupation by the enemy of most of the refineries, at once brought production down to about 30 per cent of the quantity required; 1915 only yielded 300,000 tons of sugar, and of 206 refineries operating in 1913 only 51 were still at work in 1918.

Sugar, by reason of its calorific and nutritive properties, is a foodstuff of first necessity, and so abrupt a disturbance of the equilibrium between resources and requirements would certainly have entailed formidable consequences. The Government was accordingly obliged to intervene and to organize supply. It acted with great energy, following a method very analogous to that adopted in respect of cereals. Confining itself in 1915-1916 to semiofficial measures and to supplementary purchases, it proceeded in 1916 to set up an absolute monopoly of purchase and distribution, and to ration individual consumption very strictly; the trade in sugar only recovered its freedom at the end of 1919.

We may remark that the sugar monopoly was even more complete than that of cereals; the purchase and distribution of the latter were effected throughout with the coöperation of the trade; but the Food Department undertook the entire charge of the purchase and distribution of sugar.

#### *1. First period: 1914-1916. Semiofficial measures and supplementary purchases.*

In 1914 and the early months of 1915 the Food Department was

not staffed or organized in a manner that permitted of its undertaking general measures for securing the supply of sugar; but it attempted to alleviate the early difficulties. In December 1914 the principle of purchases abroad by the Commissariat with a view to resale to the civil population was agreed upon between the Ministers of Commerce and of War; and the Minister of Agriculture intervened, as will be explained in Part II, to secure the signature of contracts by farmers and refiners, fixing the sale prices of sugar-beet and sugar.

The sugar surrendered by the Commissariat to the Ministry of Commerce during 1915 and the first quarter of 1916 amounted to 100,000 tons, and this was added to the quantity that the trade—which still preserved its freedom—could place at the disposal of the public.

For the distribution of the foreign sugar purchased on his account, the Minister of Commerce had recourse to the Chamber of Commerce of Paris, to the refineries, and to various trade syndicates, notably the Chamber of Chocolate Manufacturers, who were permitted to carry out the apportionment among the parties that they represented. This system of coöperation with the trade certainly gave excellent results, and administrative intervention might no doubt have been maintained within these limits if early in 1916 the situation had not become more serious, both in France in respect of production, and abroad in respect of price; the fresh difficulties that arose led to the setting up of the monopoly of purchase and distribution.

## *2. Second period: 1916-1919. Sugar monopoly.*

The crop of 1915-1916 was far inferior to that of the preceding year, amounting to 136,000 tons of sugar as compared with 303,000. Prices rose in consequence: the price of crystallized sugar in Paris in December 1915 was 81 frs. 15 the 100 kilos (220 lb.), or 35 frs. 36 more than in December 1914. Moreover, the quoted price related to quantities too small to form the basis of reliable estimates; the market was, in fact, in the hands of speculators.

The foreign market, on the other hand, was profoundly unsettled: the only countries where purchases could be effected were the United States, Cuba, and Java; the competition of the Allies and of

neutral countries was raising the price, notably on the principal market, that of New York, and speculative manœuvres were accentuating this rise; nearly the whole Cuban crop was, at the end of 1915, acquired by a trust.

In these circumstances the Government decided to undertake the entire charge of sugar supply: we shall see it successively set up the monopoly of the purchase of foreign sugar, then that of the home production, organize the distribution of all supplies of sugar, and restrict both the private and the industrial consumption of sugar.

*Monopoly of import and purchase of the home crop.* A decree of the 2nd March 1916 prohibited the import otherwise than by the State of raw or refined sugar. The State became, and remained until 1919, the sole purchaser of sugar on foreign markets. This decree was preceded by an important agreement with England, which had the effect of uniting the purchasing power of the two countries. Under the agreement the British Royal Sugar Commission was charged with the purchase of sugar abroad for France as well as for Great Britain. This system of purchases in common at once secured material advantages for France: the first purchases effected by the British Commission comprised 100,000 tons of granulated American at 59 frs. the 100 kilos and 75,000 tons of Cuban brown at 49 frs. the 100 kilos f.o.b., payable in Paris.

In general the cost of foreign sugar was less than that asked by the producers for home-grown sugar, and the difference could be attributed only to speculation. An equalization of price was called for, but it was impossible to bring it about unless the trade in sugar were deprived of all liberty; thus a second step became necessary in the path of monopoly, and was shortly taken.

In August the Government decided to acquire the whole of the home crop of 1916. The output of all the refineries was secured either by agreement or by requisition, and a contract was signed with the refiners by which these undertook to refine the sugar, of whatever origin, supplied to them, at a fixed rate of 11 frs. 40 the 100 kilos. This comprehensive purchase related to about 200,000 tons, and was repeated yearly until the end of 1919.

Having thus acquired sole possession of all imported and home-grown sugar, the Ministry of Supply had next to arrange for its distribution.



*Distribution.* An *arrêté* of the 20th October 1916 set up in each department a Distribution Committee, presided over by the prefect or his delegate and comprising representatives of the municipalities, the Chambers of Commerce, the Administration of indirect taxes, the sugar-refining industry, the sugar and grocery trades, and the consumers. Its duty was to supervise the distribution of the sugar allotted to the department and to centralize applications for supplies.

Further, a central Distribution Committee was formed at the Ministry to act as a consultative body, and to settle and revise the rations allotted to the several departments.

The details of the organization and working of the sugar distribution were laid down by a circular and two *arrêtés* of October and November 1916 and January 1917, which may be summarized as follows:

Private consumption was to be calculated on a maximum basis of 750 grams (about 26½ oz.) per head per month. Industrial needs were to be estimated on the basis of evidence, furnished by the parties interested, of their capacity of manufacture and of their consumption in the past, checked by the information supplied by the trade syndicates. Upon these data the committee in each department was to calculate the ration for the department.

The ration would be supplied partly from refined, partly from unrefined sugar. Refined sugar would continue to be obtained direct by those concerned from the refineries, which were at the time receiving from the Supply Service over 40,000 tons a month, a quantity exceeding three-fourths of the monthly consumption; the wholesale price of this sugar had already been fixed by decree. Unrefined sugar might also be supplied by the factories direct to certain industries and to sugar dealers with whom they had, before the war, been in business relations. Factories and refineries would inform the Committee of the consignments dispatched to various purchasers so that it might be in a position to determine the balance of unrefined sugar required to make up the department's monthly ration. For this purpose it would examine, check, and classify in order of urgency the applications addressed to it, and reduce any that might appear excessive. For the balance thus determined it would send in a demand fortnightly to the agent of the Food Department, who



would arrange for the supply, either to the committee, or direct, on its instructions, to the several purchasers. The committee would be at liberty to organize the distribution of this balance to the best advantage of the general consumer.

The committee might further be called upon to carry out a census of stocks of sugar, and it would assist the authorities in checking attempts to monopolize sugar or to speculate improperly in it. It would also be called upon to advise as to the wholesale and semi-wholesale prices to be fixed. In general it was to direct its efforts against waste and to seek every way of restricting useless consumption.

The distribution among the departments of the supplies of unrefined sugar furnished by the Food Ministry would be carried out by the Syndical Chamber of the Sugar Trade of Paris, at prices fixed by ministerial *arrêté*, on the basis of the applications of the departmental committees.

This system remained in force as long as the sugar monopoly was maintained, and secured a remarkable degree of method and regularity in the provision of sugar, at a time when the task of the administrative service was especially heavy and complex. But order and method alone could not restore equilibrium between demand and supply, when the deficit in home production and difficulties of import caused a clear shortage. It must be added that speculation, in spite of all efforts, remained undefeated, and that private individuals and dealers, either in a spirit of excessive prudence or, more often, in the hope of a rise of price, endeavored to accumulate stocks. It became evidently necessary in 1917 to control consumption by rationing.

*Sugar rations.* These were imposed both on private and on industrial consumption.

(1) *Private consumption.* The rationing of private consumption was effected by a number of circulars of January, February, and March 1917, which established the sugar-card. From the 1st March, sugar could be purchased only on presentation of a card entitling the bearer to 750 grams (about 26½ oz.) a month, represented by three coupons of 250 grams. Supplementary rations of 250 grams (about 8¾ oz.) were conceded to young children and old people, and a supplementary quantity of three kilos (6.6 lb.) *per annum*

for each person was allowed for jam-making. Not more than one month's ration might be supplied at one time, nor might any coupon be utilized before the month to which it related. Retailers were to be supplied with quantities corresponding to the coupons surrendered to them, and forwarded by them to the committee of the department. Retailers and dealers in sugar generally, hotels, schools, and similar establishments, and factories utilizing sugar, were required to declare the stocks they held and the quantities normally consumed by them, to enable the committee to determine the quantities that should be allotted to them.

The normal ration had to be reduced to 500 grams (slightly more than 1 lb.) in October 1917, to allow of the assignment of a larger number of ships to the transport of cereals. From the 30th April 1918 the second coupon of the food-card was substituted for the sugar-card; but the experiment did not succeed, and the use of the sugar-card was restored at the beginning of 1919.

(2) *Industrial consumption.* Sugar is utilized in the manufacture of jam, of chocolate, of liqueurs and syrups, of pastry, biscuits, and sweets. The allowance for these purposes was restricted even more severely than that for private consumption.

A circular of 10th February 1917 had maintained the average allowances of the previous twelve months to those industries whose produce was of real nutritive value, such as jam and plain chocolate; but had reduced the allowances by 50 per cent for all products of a secondary nutritive value, merely agreeable to the taste, or having the character of pure luxuries.

When the individual ration was reduced by the circular of 3rd October 1917 to 500 grams, the restrictions on industrial consumption were made more severe. The circular of 1st January 1918 prescribed that the allowance to hotels, cafés, restaurants, etc., which had previously been calculated at the rate of 25 grams per inhabitant per month, should henceforth be at the rate of 40 grams, of which 10 grams in sugar for use in food, and the balance in an equivalent quantity of saccharine for sweetening drinks; and that no allowance should be made to industries of a distinctly luxurious character, such as the manufacture of pastry and sweets, nor to those authorized to employ saccharine, such as the manufacture

of mineral waters and cider, nor to condensed milk factories. These restrictions remained in force until 1919.

### *3. Third period: 1919-1921. Decontrol.*

The situation in France as regards the supply of sugar showed a marked improvement from the early months of 1919; demand remained stationary and even showed a tendency to diminish as demobilization progressed; while home production increased as the liberated regions resumed their normal existence and as imports developed with the reorganization of sea transport. Government was accordingly soon in a position to contemplate the termination of the severe régime imposed during the war. But it did not appear expedient to restore freedom of commerce and of consumption without certain transitional measures. The general economic situation was still unsettled; the high cost of living weighed heavily on the consumer; and the Food Department was in possession of large stocks of which the disposal had to be arranged. For these reasons the Government decided to proceed by steps, and to begin by allowing the free importation of foreign sugar and only subsequently to restore liberty of commerce at home.

*Restoration of free imports.* This restoration was effected by two successive measures. The first had the object of placing certain industries in a position to resume exports. These industries included sugar refinery, biscuit-making, and the manufacture of liqueurs, chocolates, jam, and sweets, and home production could neither supply them in adequate quantities, nor at prices that enabled them to meet foreign competition. A decree of 14th April 1919 accordingly allowed the temporary import of foreign raw sugar, but on the express condition, guaranteed by a special undertaking, of reëxport.

Two months later, the decree of 6th June 1919 annulled that of the 2nd March 1916 and restored the right of free import of foreign sugar, raw or refined, without restriction. From this date the Food Department naturally ceased to purchase foreign sugar.

*Restoration of free commerce at home.* From August 1919 onwards the Food Department discontinued the provisioning and control of the industries employing sugar as a raw material, as these were expected to avail themselves of the liberty of import authorized by the decree of the 6th June. It continued, on the other hand, for



another eighteen months, to concern itself with private consumption, and this for two reasons: because it was necessary, as stated above, to dispose of the stocks that it held; and because it desired, by its distributions of sugar, to secure that this sugar should be sold at the same price as the sugar imported by the trade.

The régime of distribution by committees and of rationing through the use of the sugar-card accordingly remained in force; but its rigor was progressively reduced. To begin with, the sugar ration was raised to 750 grams (26½ oz.) on the 3rd February 1919 and even to 1 kilo (2.2 lb.) for children from 3 to 13 years of age and for old people over 70.

Then, by *arrêté* of the 16th August 1920, it was decided that from the 1st September following the sugar furnished by the Food Department should be distributed only to children below 13, persons over 65, indigent sick and infirm military pensioners, provided, in each case, that they or their families were below the income tax level.

Finally the *arrêté* of the 31st January 1921, by abrogating the previous *arrêté*, marked the end of the State's intervention. What had, in fact, been the result of this intervention? Its object, it must be recognized, had been achieved. Although there may, on occasions, have been delay in deliveries and the allowance of a department may now and again not have arrived up to time, nevertheless the minute and complicated administrative mechanism set up to provision the country with sugar did not disappoint the hopes of its designers but ran throughout with the utmost regularity. The results, it is true, are creditable likewise to the public, which with singular self-denial submitted for four years to stringent rationing, of far greater severity than that imposed in other countries. The German ration never fell below 750 grams (26½ oz.) with a supplement of 500 grams (1.1 lb.) for each child; the English ration was 240 grams (8 oz.) a week; the Belgian ration 1700 grams (3.7 lb.) a month.

Before the war the French consumption of sugar was on the average 700,000 tons a year; from the 1st October 1917 to the 30th September 1918 it was reduced to 438,000 tons, distributed as follows per month:



## SUGAR

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	<i>Tons</i>
Private consumption (500 grams)	15,567
Children, sick, etc.	1,539
Industrial consumption	6,136
Army	6,000
North Africa	6,200
Sweetening wine, jam, and various	1,058
	<hr/>
	36,500

## CHAPTER V

### CONTROL OF MILK AND EGGS

#### 1. *Fresh Milk.*

From the early years of the war, under the triple influence of the reduction of the number of milch cows, of foot-and-mouth disease, and of the scarcity of forage, France was menaced with a crisis in milk supply. In Paris, in particular, where before 1914 the population consumed nearly 200,000 gallons of milk a day, from 1916 onwards there were only available about 90,000 gallons.

This situation could not but cause anxiety to the Government, for milk constitutes a perfect food, almost as necessary as bread to a large part of the population, and absolutely indispensable to the aged, to the sick, and to children. Nevertheless the measures taken to secure the supply were mainly of an indirect character and connected with its distribution.

At the very outset, by decree of 5th August 1914, the export of milk was prohibited. Then in 1917 and in 1918 the consumption of milk in restaurants and other establishments open to the public and its employment in the manufacture of certain products were strictly regulated. Finally, in 1918, mayors and prefects were instructed to take measures to secure a priority of supply to certain categories of consumers. The control of the supply of milk in establishments open to the public and the control of cheese-factories will be more conveniently dealt with in Chapters XIV and XIII, respectively (see pp. 239 and 236).

*Special measures on behalf of children, sick, and aged persons: preferential cards.* By circular of the 3rd September 1917, confirmed by decree of the 27th September 1918, prefects were instructed to call the attention of mayors of communes to the necessity of securing that children, women with child, and workmen subject to the risk of lead poisoning, received the quantity of milk they needed. They were to consider the advisability of instituting milk-cards and special centers of supply for the above classes, and, as regards applications from the sick, they were to take precautions against the acceptance of any but genuine medical certificates.

These instructions were very generally followed and in the majority of the larger towns, at least, preferential milk-cards were introduced. In practice, the system worked as follows: the privileged consumers of the classes above indicated were distributed among the dairies and received a card entitling them to receive daily, before 9 or 10 o'clock, the quantity of milk that they were shown to require. The dairies on the other hand were notified of the clients whom they would have to supply preferentially and of the quantities of milk to be reserved for these.

Preferential cards remained in use until 1919 and rendered the greatest service; it is only fair to add that the good relations which prevailed between sellers and consumers contributed in a large measure to the regular working of the system.

### *2. Condensed Milk.*

The available supply of fresh milk being inadequate to meet requirements, consumers were obliged to have recourse to condensed milk. Various measures were accordingly taken to facilitate its supply.

A decree of 2nd January 1918 authorized the requisitioning for the needs of the civil population of concentrated or condensed milk, milk powder, or other form of preserved milk. The same decree required from all holders of any such milk product a declaration relating to its origin, chemical composition, etc.

At the end of 1918 and early in 1919 the Food Department effected large purchases of condensed milk in the United States, and by means of direct sales under conditions that we shall examine in Part II was able to supply consumers at very favorable prices. Prices were fixed as follows:

		<i>Frs.</i>
Nestlé, unsweetened	6 oz. tin	0.95
Nestlé, unsweetened	12 oz. tin	1.85
Other brands	6 oz. tin	0.80
Other brands	12 oz. tin	1.60
Nestlé, sweetened	14 oz. tin	2.40
Other brands	14 oz. tin	2.05

### *3. Eggs.*

As soon as the necessary powers had been conferred on the Food Minister by the law of the 10th February 1918, he decided to re-

serve eggs so far as possible for direct consumption, by forbidding their employment in certain processes in which they are in normal times largely employed. Decrees of February 1918 and January 1919 prohibited the preparation with fresh eggs or preserved eggs (other than frozen eggs or egg-powders) of sweet dishes, ices, dry pastry, biscuits, or *pâtés*. These restrictions were withdrawn in 1920.



## CHAPTER VI

### SUPPLY OF WINE AND OIL

WINE by reason of its tonic properties, oil on account of the fats that it contains, are essential foodstuffs, and the Food Department had accordingly to secure the quantities required. Its intervention in respect of wine was the more necessary that not only the needs of the civil population but the ever-growing demands of the Army had to be dealt with.

But the problem did not present any special difficulty; at no moment of the war was there in France any acute shortage either of wine or of oil; thanks to the home production and to the imports from Spain, Algeria, and the French colonies of Western Africa, the quantities available were always approximately equal to requirements.

It was not therefore necessary to control or restrict consumption; the action of the Food Ministry was confined to facilitating purchases abroad by the trade, to placing wine and oil at the disposal of consumers by direct sales, and above all to organizing and regulating the transport of wine.

#### *1. Purchases of Wine in Spain and Direct Sales.*

A convention signed at Madrid on the 6th March 1918 authorized France to import from Spain 150,000 hectoliters (3,300,000 gallons) of wine a month. This quantity was divided as follows:

20,000 hectoliters (440,000 gallons) were reserved for the supply of the civil population.

52,000 hectoliters (1,144,000 gallons) were purchased direct by the State for the Army.

78,000 hectoliters (1,716,000 gallons) were reserved for the trade.

This last portion, in accordance with a decision of 1st June 1918, was distributed among importers of Spanish wines by a commission sitting at the Ministry of Food, composed of the Presidents of the Chambers of Commerce of the principal towns or their delegates,

representatives of wine-merchants, and certain officials. This commission was to grant to the several importers import permits for quantities proportional to those imported by them during 1916 and 1917 and not exceeding in the aggregate the total reserved to the trade. The commission was to submit nominal rolls of importers, showing, for each port and custom-house, the quantities which the several importers had been authorized to import. These lists would be communicated by the Customs Administration to the several custom-houses, where the quantities imported would be checked. Each importer was required to guarantee by a deposit of 20 frs. per hectoliter the fulfilment of his undertaking to import the quantity of wine for which he received a permit. Provision was also made by which the *Banque de France* would furnish exchange to enable importers to pay for their purchases.

The total of the import permits granted to each importer amounted, in practice, to approximately one-fifth of the average quantity imported by him during 1916-1917.

The 20,000 hectoliters of wine reserved for the supply of the civil population were, especially in 1919, sold direct to coöperative societies and municipal organizations, and also to the public, which after May 1919 could obtain it in Paris at the Vilgrain shops. It may be noted here that the sales not only facilitated supply, but had a powerful influence on prices: these, which had risen to 2 frs. a liter ( $1\frac{3}{4}$  pints) for the commonest wine, fell at the end of 1919 to 1 fr. 30 or even 1 fr. 10.

## 2. *Organization of the Transport of Wine.*

If supplies of wine proved sufficient, its transport from the producing regions to the centers of consumption met with the gravest difficulties, as a result of the disorganization of the railway lines, and also of the dearth of barrels: for such as were dispatched to the Army returned with great irregularity. The Supply Service accordingly exerted itself especially to facilitate and regulate this transport.

### *Requisition of tank-wagons and formation of the Reserve Park.*

At the outset of the war, the Commissariat had requisitioned for the use of the Army the majority of the tank-wagons owned by the

wholesale wine trade and had formed a park of this rolling-stock at Montpellier. The Minister of Food thought it advisable, early in 1917, to extend this system to the transport of wine for the civil population and arranged with the owners for the use in common of a number of tank-wagons; these were to be placed, subject to the control of the Ministry, at the disposal of wine-dealers for the purpose of conveying wine to coöperative societies and official bodies engaged in supplying the public.

An *arrêté* of the 17th January 1917 created a reserve park of tank-wagons for civil supply at Montpellier and determined the conditions of its working; but in the absence of legal power to impose penalties, this *arrêté*, which assumed the friendly coöperation of the wagon-owners, was only very partially successful. It became possible, however, after the adoption of the law of 3rd August 1917 on civil requisitions, to reopen the question and deal with it satisfactorily.

A first decree of the 5th December 1917 authorized the requisition for civil purposes of tank-wagons, and ordered every person owning or employing tank-wagons to make a full and detailed return respecting them.

Next, a decree of the 26th March 1918 created, in the Ministry of Food, a Tank-wagon Service, whose duty it was to direct the employment of the tank-wagons that had been requisitioned by the Food Department; to coördinate the action of the various State departments employing tank-wagons; to take a census of tank-wagons and to spread the burden of requisition fairly over their owners; to see to the maintenance and repair of the rolling-stock thus requisitioned; and to supervise the employment of the tank-wagons left in the hands of the trade. A central bureau was also set up at Montpellier to arrange for all transport of wine as directed by the Food Department, to pay for the use of the tank-wagons, to follow up each tank-wagon so as to prevent its standing idle, and in general to make the best possible use of this means of transport.

Finally the decree of 6th December 1918 reorganized the reserve park, which it increased to 600 wagons. The management of the park was entrusted to a committee of seven members chosen by the Under Secretary of State from among the owners of the rolling-stock composing the park. The committee acting on his instructions was

to see to the maintenance and to the employment of the wagons to the best advantage. It was to make contracts for the hire of the wagons to the parties designated to it by the Under Secretary. The decree laid down a scale of charges according to the length of the haul and the capacity of the wagon, and to the period of demurrage. Compensation was to be paid to the owners of the rolling-stock at the rate adopted by the Commissariat. The profits on the working of the park, after allowing for all expenses, were to be distributed among the owners of the rolling-stock in proportion to the number of days of employment of each owner's wagons. The rates of hire and demurrage of the tank-wagons were subsequently simplified by decree of 26th April 1919 and fixed at 25 centimes per hectoliter (22 gallons) of capacity and per day of employment.

The reserve park was of great service in enabling the transport of wine to the chief centers of consumption to be carried out with regularity. It continued in existence until 1920.

### *Provision of trucks for the trade.*

Early in 1919 M. Vilgrain, when starting his campaign to reduce the cost of living, obtained 500 railway trucks from the Minister of Public Works and placed them at the disposal of the wholesale wine trade. The utmost precautions were taken by the Food Department, which kept the allotment of the trucks in its own hands, to secure that these should only be assigned to dealers who agreed to participate in the efforts to reduce prices; that is to say, to such as supplied coöperative societies, public bodies, or other associations acting in agreement with the Food Department, and fixed their prices in accordance with its instructions.

These trucks were as far as possible made up into complete trains and traveled in consequence with a minimum of delay and at specially favorable rates.

### *3. Supply of Oil.*

The consumption of oil, like that of wine, was not restricted; the Supply Service intervened energetically, but only by measures designed to enable the consumer to obtain without difficulty the oil he needed.

*Declaration of Stocks.* In order that Government might be in a



position to exercise some supervision, and if necessary the right of requisition given by the law of the 3rd August 1917, a decree of the 3rd September of the same year required returns to be made by all producers or holders of more than 1000 kilos of any kind of oil-seed, of vegetable or animal oils or fats, or of fatty acids, showing the quantity and character of these commodities in their possession at midnight on the 15th September. These requirements were confirmed and rendered still more precise, the following year, by decree of 14th November 1918.

*Purchase of oil-nuts in West Africa and association of French oil manufacturers.* Home production and imports by the trade would not have sufficed to meet requirements, and at the end of 1917 there was an ominous rise of prices. To obviate this danger, the Minister of Food thought it advisable to place large quantities of oil-seed and of oil on the market. Now, the French colonies in West Africa provided abundant crops of ground-nuts and palm-nuts that, for lack of organization and freight, the oil merchants were unable to import into France. Accordingly the Government decided, in November 1917, to acquire the whole output of oil-nuts in French West Africa, excepting the amount required for local consumption, and this decision was applied to the crops of 1917-1918 and 1918-1919. A decree of 14th January 1919 regulated the trade in oil-nuts and cereals in the said colonies.

By this decree the Governor General of French West Africa was empowered to requisition for export, in whole or in part, the oil-nuts and cereals produced in the territory under his authority, and to purchase for the account of the Ministry of Food the oil-nuts collected throughout French West Africa during the trading season 1918-1919, with the exception of the quantity required locally. He was further authorized to regulate the trade in nuts, and in particular to fix the dates of the opening and closing of the trading season, the geographical limits within which purchases might alone be made, the conditions to which the goods must conform, the minimum prices payable to producers, and the maximum prices payable for transport other than by rail. He might also prohibit during the trading season and the three following months the export of nuts to France or to other countries.

There remained the question of the manufacture and distribution

of the oil. The Food Department, especially in 1917, had at its disposal neither the staff nor the plant that would have enabled it to undertake these tasks, and the Minister wisely had recourse to the trade.

At his instigation and under his guidance the oil manufacturers formed themselves into an association, and entered into a contract with the Government, by the terms of which the association acquired c.i.f. at the French port the whole of the oil-nuts belonging to the State, and undertook to produce the oil under the supervision of the Food Department, and to sell it, according to quality, at the prices fixed by Government, the State moreover taking a share in the profits.

The contract worked very successfully; not only did it regulate the country's supply at a reasonable price, but it resulted in a final profit to the State of close on 40 million francs.

*Control of Spanish imports.* By the economic agreement signed on the 6th March 1918, Spain allowed France to import olive oil, as it had done wine, up to a fixed total quantity each month; and the Food Department was to distribute this total among the usual importers. The latter were for this purpose divided into three groups, according to the quality of the oil they imported, and these groups undertook to centralize the operations of purchase and distribution. Every licensed dealer who had regularly imported olive oil from Spain for his own account during the years 1911-1916 was allowed to join one of these groups and was entitled to a ration proportional to the quantities imported by him during each of those years.

## CHAPTER VII

### SUPPLY OF POTATOES AND DRIED VEGETABLES

POTATOES and dried vegetables, by virtue of their nutritive properties and chemical composition, can in a large measure be substituted for bread; they therefore occupied an increasingly important place in the diet of the population as the restrictions on the consumption of bread became more severe.

IN 1916, as soon as the necessary powers had been conferred on the Government by the law of the 20th April, the Minister of Food took active measures to coöperate with the trade in securing supplies; his intervention chiefly took the form of direct purchases and sales, the regulation of commerce and transport, and the restriction and even the prohibition of the manufacture of starch and bean and pea-flour.

#### *1. Purchases and Sales by the Food Department.*

*Distribution of the demands for potatoes among the departments.* The Commissariat had been obtaining the potatoes required by the Army by means of requisitions or by cash purchases, and in order to facilitate the process, the quantity which each department was to furnish was assigned to it, and it was required to apportion this among its communes. By a circular of the 30th December 1917, the Under Secretary of State for Food, having regard to the difficulty of provisioning the large cities and of the necessity of making assignments of potatoes to them, directed that quantities supplementary to those needed by the Army should be demanded from the different departments and collected in the same manner. The circular accordingly ordered that the previous apportionment among the departments should be revised with all speed, and that amended requisitions should be addressed to the communes; if the apportionment among the individual producers of each commune was not completed before the 15th January 1918, it would be effected by the military authorities.

These instructions, relating to the crop of 1917-1918, were repeated and amplified in respect of that of 1918-1919 by a circular

of the 3rd October 1918, the provisions of which are summarized below in view of the magnitude of the transactions involved; under this circular, a large proportion of the total crop of potatoes, about 200,000 tons each year, was acquired to meet the needs of the civil population.

The circular indicated the quantity of potatoes to be supplied by the several departments; this was to be apportioned among the communes and by them among producers with the utmost speed, and the whole operation was to be completed by the 20th October 1918. The mayors of communes were to summon at once their municipal councils to apportion the demand equitably among the persons under their administration, allowing for the amounts required for seed and for private consumption. A table of the apportionment was to be communicated to the president of the receiving commission of the commune, and a copy posted at the mayor's office, where those concerned might inspect it; and an individual notification was to be sent to each producer of the quantity he was required to keep at the disposal of the Food Department and of the penalties he would incur if he failed to do so. A counterfoil signed by the recipient of the notice was to be retained by the mayor. Failing timely action by the municipal council, the military authorities would carry out the apportionment. Deliveries were to be expedited to the utmost to permit of early dispatch to the armies.

Maximum prices were fixed as follows: for kidney varieties 38 frs., and for round varieties 35 frs., per 100 kilos (220 lb.) in sacks on rail or at port of lading, prices to be reduced by 50 centimes for consignments in bulk, and increased by 25 centimes per fortnight for deliveries after 1st January 1919, to cover cost of storage and waste.

The trade was to have as large a share as possible in the operations, and all supplies of potatoes offered by it were to be accepted. But dealers were to make known to the presidents of receiving commissions the producers from whom the potatoes had been obtained, in order that a corresponding deduction might be made from the quantity required of them. Dealers were to receive, in addition to the tariff price, a commission not exceeding 2 frs. per 100 kilos. Sacks would be supplied by the Government, but any scarcity of sacks or lack of labor to sack the potatoes was not to delay deliveries, which in that event would be made in bulk. The dispatch of the pota-



atoes to the various military and civil centers would be made in accordance with graphs sent from the central administration to the Commissariat officers in the departments. Telegraphic notice of each dispatch for civil use was to be sent to the Supply Service. Store-houses were to be hired or requisitioned near railway-stations for the storage of potatoes delivered in advance of requirements, as shown by the graphs of supply, or delayed by lack of rolling-stock.

The methods of payment and account to be followed were laid down in a further circular of February 1918.

*Purchase of dried vegetables by the Permanent Bureaus.* The trade was able, until the armistice, to supply without assistance the quantities of dried vegetables required by the population. But immediately after the 11th November 1918, on the evacuation of French territory by the enemy forces, there arose a large and urgent demand for peas and beans throughout the liberated regions. A vigorous effort had accordingly to be made to secure possession of the home crop and the Minister of Food decided to proceed immediately with the purchases. As, owing to the approaching demobilization, the Commissariat staff was not available for the purpose, recourse was had to the Permanent Bureaus, which, as stated above (page 181), were already rendering great services in connection with the purchase of cereals.

A decree of the 3rd December 1918 accordingly authorized the Permanent Bureaus to take delivery of the dried vegetables purchased on State account; the purchases were to be carried out by licensed dealers and brokers in seeds and dried vegetables, who were to notify the bureaus of the quantities bought and to hold them at their disposal. Payments for purchases and encashments on account of sales were to be effected by the bureaus under the rules adopted in respect of cereals.

*Sales of potatoes and dried vegetables.* The potatoes and dried vegetables acquired by the Food Department were distributed among depots, which were to act as regulators of supply. In accordance with the terms of the law of the 20th April 1916, assignments were allowed on application, within the limits of the quantities available, to local food organizations, to municipalities, to coöperative societies, and to such wholesale dealers as undertook to supply retailers at the prices fixed by the Under Secretary of State.

This complex mechanism, by which the State coöperated under clearly defined conditions with the trade and stimulated its activity, entirely fulfilled its purpose: at no period of the war, notwithstanding the magnitude of the demand and the difficulty of transport, was a shortage of potatoes or dried vegetables experienced by the armies or by the public.

### *2. Trade and Transport Control: Potatoes, Haricot Beans, and Peas.*

The acquisition of the potatoes and dried vegetables required by the armies and civil population was effected at prices that were rigidly fixed. Dealers might therefore be tempted to elude it. Restrictive measures were taken to obviate this risk, and by *arrêté* of the 3rd September 1917 the trade in potatoes and haricot beans was declared to be subject to the control of the Minister of Food. In practice, apart from fixing the purchase and sale prices of these commodities, a subject that we shall examine in Part II, the control related only to their transport. The measures taken in this connection were based on those which had been applied to cereals; they were enacted, as regards potatoes, by decree of 24th September 1918, and, as regards peas and haricots, by decrees of 14th August and 3rd September of the same year.

In general, consignments of these vegetables exceeding 100 kilos had to be accompanied by a certificate from the commune whence they originated to the effect that the consignor had declared that the price paid to the producer was not greater than the fixed price; this certificate could only be issued if the quantity required of the commune had been entirely apportioned among the inhabitants and if the quantity so apportioned was held at the disposal of the Food Department or had already been delivered to it.

These measures of control were only in force for a few months; they were abrogated by decrees of January and February 1919.

### *3. Control of Starch and of Leguminous Flour.*

In order to reserve all available supplies of potatoes and dried vegetables for direct consumption, severe measures of restriction were imposed in 1917 and 1918 on the manufacture of starch and of leguminous flour.

As regards the former, an *arrêté* of the 5th September 1917 directed that only potatoes unfit for food by reason of their small size or diseased condition should be utilized in starch-works, and ordered that all healthy tubers of normal size found in starch-works should be requisitioned.

Proceeding further, the decree of 24th September 1918 entirely prohibited the purchase, transport, or employment of potatoes for the purpose of the manufacture of starch, except with the special authority of the Food Department.

Similarly the decree of 19th October 1918 forbade, from the 1st November, the manufacture of the flour of haricots, peas, or lentils, and the sale or offer for sale of such flour from the 1st December.

These restrictions, like those relating to transport, were abolished by the decrees of January and February 1919.

## CHAPTER VIII

### SACCHARINE

BEFORE the war the employment, in the preparation of food or drink, of saccharine, 'or of any other artificial substance possessing a sweetening property greater than that of sugar without the nutritive properties of the latter,' was strictly prohibited by the law of the 30th March 1902.

The grave difficulty experienced in supplying the country with sugar, and the necessity of rationing it, induced the Government to ask the Parliament for some relaxation of this interdict. When this had been obtained, the use of saccharine was facilitated and encouraged for all purposes where its employment involved no danger to the public health.

*Law of 7th April 1917.* This law laid down the principle that the employment of saccharine or other artificial sweetening substance in the preparation of food and drink might be permitted, and empowered the Government to regulate its manufacture, sale, and employment.

As saccharine possesses sweetening properties far greater than those of sugar, the permission to make use of it might have brought about a serious crisis in the sugar-refining industry if steps had not been taken to equalize the cost price of commodities manufactured with sugar and with saccharine respectively. This equalization was effected by a further law of the same date, which imposed an excise of 200 frs. a kilo on saccharine and similar sweetening substances.

*Regulating decrees.* The general conditions under which the law of the 7th April 1917 was to be applied were laid down by decree of the 8th May following. The use of saccharine and other artificial sweeteners was authorized in the preparation of sparkling and sweet wines, cider and perry, brandy, liqueurs (except for export), lemonade, coffee, and tea. At the same time the producers of saccharine and other sweeteners were required to make a declaration to the Ministry of Food in order to obtain authority for their manufacture. It was subsequently enacted, by decree of the 8th May, that when any foodstuff or drink containing saccharine or other artificial



sweetener was offered for sale, a prominent notice should be affixed to the package indicating the content of pure saccharine and the name of the manufacturer. We shall consider in Part II the decrees fixing the maximum prices at which saccharine might be sold.

Notwithstanding these measures, consumers, many of whom persisted in thinking the use of artificial sweeteners prejudicial to the health, had at first little recourse to them. Early in 1918 when the scarcity of sugar became more serious and made it necessary in particular to suspend the allowance for domestic jam-making, the Minister of Food decided to encourage the use of saccharine by supplying quantities of it direct to departments under conditions similar to those adopted with respect to sugar. A contract was entered into with the Société Chimique des Usines du Rhône by which this Company undertook to reserve a part of its output for the Food Department; this was allotted under conditions laid down by circular of the 22nd April 1918. Each department was to receive a monthly allowance based on the total output of saccharine and on the population of the department; for the month of May this allowance of saccharine was equivalent to an allowance of sugar at the rate of 250 grams (about  $\frac{1}{2}$  lb.) per inhabitant. It was left to the prefects to decide how this was to be distributed, but it was suggested that it might be issued on presentation of one of the coupons of the food-card not assigned to other purposes. The prices had already been fixed by decree. Prefects were instructed to inform the public that, as a special issue of sugar for jam-making was impossible that year, the monthly supplies of saccharine were designed to enable it to economize, out of the sugar ration, the quantity required for jam.

The law of the 7th April 1917 had authorized the use of saccharine and of artificial sweeteners for the preparation of food and drinks for the period of hostilities only. The prohibition enacted by the law of 1902 should therefore again have come into force on the 24th October 1919. But most of the French sugar-factories and refineries had been destroyed during the war, and the supply of sugar was still gravely hampered by the reduction of the home-grown crop, and by the high cost of imported sugar due to fall in the exchange value of the franc. It appeared expedient accordingly to maintain in force the law of the 7th April 1917, and this was done

for three years by the law of the 23rd October 1919; but the free sale of saccharine was allowed and allotments of it to the departments ceased, only the fixed wholesale and retail prices being retained until 1922.

## CHAPTER IX

### BEER AND CIDER

#### 1. *Control of the Brewing Industry.*

THE very close control to which the brewing industry was subjected from 1917 onwards was due to two reasons. At a time when the supply of wine could with difficulty be maintained in consequence of the requirements of the Army and the impediments in the way of transport, it was important to facilitate and increase the consumption of beer as a substitute, and to keep up its production notwithstanding that the enemy was in occupation of the breweries of the North and East of France. Further, and above all, as the raw material for the manufacture of beer consisted principally of cereals—barley, rye, and maize—the brewing industry could not, from the moment when the cereal monopoly was instituted, avoid becoming dependent on the Food Department, and as a result was subjected entirely to its control.

As we shall see, the control of this industry resembled the control of cereals in its essential features—the State acquired the raw material, regulated the manufactured product, and fixed its price.<sup>1</sup>

*Control under the arrêtés of the 10th August 1917 and 2nd February 1918.* At first the control was enacted simply by Ministerial *arrêtés*. That of the 10th August 1917 declared generally that the allotment of barley to industries utilizing it would be placed under the control of the Minister of Food, who would apportion it with due regard to the needs of national defense and the requirements of the population. A Central Committee was set up at the Ministry of Food to carry out this apportionment; all demands had to be addressed to the Committee, which instructed the Cereals Office as to the deliveries to be made, not only as regards barley, but also as regards the maize and rice asked for by the breweries; it also assisted the latter in obtaining supplies of malt. Brewers, distillers, and other manufacturers utilizing barley were prohibited from procuring this grain direct from the grower or from the trade. The expenses of

<sup>1</sup> The fixed prices of beer will be considered in Part II.

the Committee were defrayed by the manufacturers concerned, by means of a levy of 5 centimes on each quintal (220 lb.) of grain ordered.

These first regulations were extended by an *arrêté* of the 2nd February 1918: all malt produced in France was brought under the control of, and was to be apportioned by, the Food Department; free purchases of malt were prohibited and consignments had to be accompanied by a permit from the Central Committee. The *arrêté* further expressly subjected the brewing and subsidiary industries to the control of this Committee. Finally, two measures were taken to enable the Food Department to intervene in the distribution of beer, on behalf of the chief centers of consumption. Breweries whose output in 1916 had exceeded 60,000 hectoliter-degrees<sup>2</sup> were required to place one-tenth of their output at the disposal of the Food Department for distribution. And it was forbidden to dispatch beer from certain departments, where it was the habitual beverage of the population, or from the three departments round Paris, to other departments.

*Control under the decrees of 15th August and 26th November 1918.* Throughout the year 1917 the situation of the brewing industry was precarious. The greater part of the supply of barley was absorbed for making bread, and the dearth of raw material was aggravated by the difficulty of transport. The working population of the North, for whom beer is an article of diet of first necessity, suffered particularly from its scarcity. Moreover the regulations above set out, being enacted by simple *arrêtés*, entailed no penalties on those who attempted to evade them. Finally, the brewers of the invaded regions complained that under this régime their legitimate interests were completely sacrificed. They were unable to operate their breweries, which were in enemy occupation, and naturally could not without long delay resume output in other places; they were consequently excluded from the distribution of raw material and thus deprived of all means of action.

By decree of the 15th August 1918 the Minister, armed with the powers provided by the law of the 10th February, issued revised

<sup>2</sup> A hectoliter-degree is a hectoliter (22 gallons) multiplied by the degrees of gravity of the beer.



regulations. It should first be stated that in order to restore the production of beer to the level of 1916, he decided to increase to 200,000 quintals (about 20,000 tons) the brewing industry's monthly ration of barley. The new regulations were based on principles identical with those underlying the control of 1917. The apportionment of the raw material to brewers continued to be made by the Central Committee and direct purchases of barley or malt remained prohibited. But all brewers and maltsters who had worked in 1913 were allowed to share in the distributions, except brewers who had not utilized at least 100 quintals of barley per month in 1916; the latter were only supplied with malt. Moreover the restrictions on the movement of beer were abolished. And an ingenious system of coöperation, initiated by the Central Committee, made it possible to remedy the grievance of the brewers and maltsters of the invaded regions. These surrendered to the Central Committee the allotments of barley to which they were entitled, and the quantities thus surrendered were distributed over all the breweries and malt-houses in operation. In consideration of this, the brewers were to pay to the Central Committee a fixed contribution of 50 centimes for every hectoliter-degree<sup>3</sup> of beer produced, and the maltsters 2 frs. for every quintal (220 lb.) of malt produced. The total of these contributions would be paid over to the malting and brewing syndicates of the invaded regions for distribution as they might decide.

The same decree prohibited the manufacture of pale ale and stout, and of any beer whose gravity exceeded 4°; the penalties provided by the law were made applicable to all breaches of the new regulations.

On the morrow of the armistice, when the breweries of the North and East had been recovered, certain modifications of the last decree were thought necessary. The raw material had to be distributed in such a way as to enable the brewers of the liberated regions to adapt themselves to the new economic conditions and also to secure a sufficient supply of beer for the working classes of those regions when they returned to their homes.

The principal changes introduced by the decree of the 26th November 1918 were the following:

<sup>3</sup> See note on page 226.

(1) The system of allotting, in theory, rations of barley to the maltsters and brewers of the invaded regions was abolished: thenceforth all brewers had a right to a share proportional to their output in 1913 or to the average of their output during the months of 1914 previous to the opening of hostilities. Further, in order to encourage the revival of the brewing industry in the North and East, no supply of beer might be sent to the liberated regions without a permit from the Central Committee.

(2) The basis and method of distribution were improved: the minimum quantity of barley treated in 1913 that entitled to a share in the distribution was reduced to 1000 quintals (about 100 tons); and the share of the maltsters was to be calculated on the area of their kilns at the 1st August 1914, and, of the brewers, on their output of beer in 1913 multiplied by its gravity.

*Gradual decontrol.* In the middle of 1919 the Under Secretary of State for Food proposed the repeal of this last decree, in view of the steady resumption of economic activity in the liberated regions and of the expediency of freeing the brewing industry at the earliest possible moment. The repeal was decided on, but it had to be carried out gradually. The decree of the 30th May 1919 revoked

(1) from the 5th June 1919, the provisions of the decree of the 26th November 1918 relating in particular to the breweries of the liberated regions, as well as those prohibiting the manufacture and sale of certain kinds of beer, and those fixing prices;

(2) from the 1st August 1919, all the other provisions of the same decree. At this latter date, accordingly, the brewing industry recovered its freedom.

## *2. Control of the Distillation of Cider and Perry.*

Concurrently with the rise in the price of alcohol, of which the explosives service absorbed ever-increasing quantities, the distillation of cider and perry increased; whereas it produced about 220,000 gallons of alcohol in 1915-1916, it produced about 338,000 gallons in 1916-1917, and 1,407,000 in the first six months of 1918.

The Minister of Food could not but view with concern this increasing conversion into an industrial product of a beverage generally consumed throughout the west of France, which it was the

more desirable to reserve for this purpose in that the production of beer was diminishing and the provision of an adequate supply of wine was becoming more and more difficult.

He decided accordingly, as soon as the law of February 1918 gave him the necessary powers, to take appropriate measures. The decrees of 2nd July and 8th December 1918 entirely prohibited from the 15th September the distillation of cider and perry, except in execution of contracts made with the Ministry of Munitions. The prohibition was repealed by decree of the 25th February 1919, but reimposed during a few months, in respect of cider, by the decrees of the 10th and 26th September 1919. It was finally abolished by decree of the 16th January 1920.

## CHAPTER X

### CONTROL OF PASTRY AND BISCUITS

WE have seen that it became necessary, from 1916 onwards, to reserve all available cereals and flour for the making of bread and even to ration the latter. It followed that the manufacture of pastry and biscuits had also to be strictly controlled; for these industries depend upon cereals as their raw material, and their products cannot be considered as necessary articles of diet for the majority of their consumers.

The measures of control may be summed up by saying that, until the end of the war, it was forbidden to manufacture cakes with cereals suitable for making bread, and that the manufacture of biscuits, if not forbidden, was very strictly limited.

The first restrictive measures were taken early in 1917: the *arrêté* of the 20th January 1917 ordered pastry-cooks' shops, and the counters in other establishments at which pastry was sold, to be closed on Tuesdays and Wednesdays in each week; and prohibited the consumption of pastry on those days in restaurants and other premises open to the public.

The decree of the 19th April 1917 entirely prohibited the manufacture and sale of pastry from the 1st June to the 31st July 1917, and required biscuit-factories to make a return of their stocks, in order that their allowance of flour might be reduced.

The decree of the 3rd May prescribed that the production of biscuit-factories should thenceforth be limited to the requirements of the Army, the Navy, and the Public Relief authority, but that existing stocks might be sold off.

These fragmentary measures were reënacted and amplified by the decree of the 30th November 1917, which finally instituted the monopoly of cereals. This decree prohibited the manufacture of pastry or biscuits from the flour of wheat, meslin, rye, maize, barley, buckwheat, oats, and rice, and forbade pastry-cooks and biscuit-makers to purchase, hold, or employ any quantity of these flours. Pastry-cooks' shops and counters for the sale of pastry and biscuits were to be closed, as before, on two days in each week; the consump-



tion on such premises of pastry, biscuits, or other food or drink was forbidden; bakers were forbidden to make or sell pastry, biscuits, or sweets, and so were restaurants, cafés, and other establishments open to the public.

Going even further, in view of the constantly increasing difficulty of meeting the requirements in cereals, the decree of the 12th February 1918 absolutely prohibited the manufacture or sale in any form of pastry or cakes, of raised pies, and of biscuits.

In practice this total prohibition was never strictly enforced: as regards pastry, the manufacture of cakes with flour unsuitable for making bread was tolerated; and as regards biscuits, the industry was granted successive extensions of time within which to sell off its stocks; but the conditions under which these might be sold were strictly regulated, with the view, in particular, of benefiting charities concerned with the wounded and prisoners of war. These regulations were laid down in a circular of the 12th March 1918: the profits on the sales were to accrue to the charities above-named; the sales were to take place at the municipal offices of the localities in which the stocks were held; the goods were to be sold at the wholesale prices accorded by the factories to their most favored customers; if, however, the goods were sold to the public, these prices were to be increased by 25 per cent, of which 5 per cent was to be paid to the Biscuit-Workers' Unemployment Fund, and 20 per cent to the charities.

The system of prohibition was maintained until the armistice, after which some relaxation was thought possible: a circular of the 12th December 1918 notified that allotments of flour, of course at cost price, would once more be allowed to pastry-cooks and biscuit-makers. But complete freedom of manufacture was not immediately restored: the decree of the 4th January 1919 forbade the sale of cakes and the employment of flour suitable for bread-making, of fresh or preserved butter, of fresh or preserved eggs, of potatoes and of sugar other than that assigned for the purpose, in the manufacture of pastry, raised pies, and biscuits.

These prohibitions, with the exception of that relating to flour suitable for bread-making, were repealed by decree of the 22nd March 1919; but in the following year fresh restrictions were imposed for a few months. The decree of the 3rd February 1920 re-

newed the prohibition of the manufacture of pastry with wheaten flour; that of the 17th February restored the system of two pastry-less days a week.

These two decrees were repealed on the following 25th September; but until the 1st August 1921 the biscuit and pastry industries were restricted owing to the reduction of the ration of flour allowed them by the Food Department. They only recovered their entire liberty when all administrative intervention in the purchase and distribution of cereals and flour came to an end, that is to say, on the 1st August 1921. It is creditable to them that although this rigorous control during nearly five years caused them undoubted loss, they made no complaint. Pastry-cooks and biscuit-makers understood the considerations of general policy that called for this temporary sacrifice, and courageously turned their energies to the manufacture and sale of other commodities.

## CHAPTER XI

### CONTROL OF FARINACEOUS PASTES

FARINACEOUS pastes such as macaroni have a high nutritive value; hard wheat, which may also be used for bread-making, is especially employed in their manufacture. For these reasons the Food Ministry was obliged to control them, and the control was very strict, amounting to a real monopoly until the end of the war.

The *arrêté* of the 30th July 1917 notified that all hard wheat and other grain capable of being employed for the manufacture of farinaceous pastes, and all semolina arriving in French ports from the 1st August onwards would be requisitioned by the State. It declared, moreover, that hard wheat would only be supplied for the production of pastes and semolina to authorized manufacturers who undertook to treat no other kind of cereals and to surrender the whole of their output to the Farinaceous Pastes Committee, composed of the presidents of the four syndical chambers chiefly concerned. Lastly it prescribed that only dry pastes, without eggs, should be manufactured.

An absolute monopoly was substituted for the above régime under the decree of the 18th June 1918. The Food Department was to assign flour for the use of the paste manufacturers, and the latter were to place their output at the disposal of the same department, by whom it would be distributed among the prefects, to meet the requirements of their respective areas.

The decree of the 4th January 1919, by repealing the above, restored, in theory, freedom of commerce in farinaceous pastes. But in practice, as the general monopoly of cereals was maintained for another two years, paste manufacturers could obtain the flour they needed only from the Food Department and at prices fixed by the latter. This situation continued until the decree of the 20th May 1921. It should be noted, however, that a decree of 16th April 1920, in order to encourage the revival of the export trade, restored the freedom of import, subject to reëxport, of hard wheat for the manufacture of farinaceous pastes, semolina, and sea biscuits, and of soft wheat for sea biscuits and sweet biscuits.

## CHAPTER XII

### THE CONFECTIONERY AND CHOCOLATE INDUSTRIES

THE confectionery and chocolate industries normally utilize large quantities of sugar for the manufacture of what, apart from chocolate of ordinary quality, are articles of luxury, or at least of mere gratification. It would clearly have been impossible to allow these industries to continue, for such a purpose, to dispose of an essential commodity in respect of which all consumers had had to be rationed; they were accordingly subjected to an extremely rigorous control, which went so far as the absolute prohibition of all manufacture and sale. This prohibition might, in fact, have been dispensed with, for, from 1916 onwards, confectioners and chocolate-makers could obtain sugar only from the Food Department, and at the end of 1918 were excluded from any share in its distribution. It appeared, however, expedient to subject them to express regulations, in order to defeat any attempt at fraud.

#### 1. *Confectionery.*

The first restriction on confectionery was imposed early in 1917. The *arrêté* of the 20th January 1917 ordered the closing on Tuesdays and Wednesdays in each week (except holidays) of shops selling confectionery or ices.

The decrees of the 12th February and 2nd April 1918 substituted for this the absolute prohibition of the manufacture or sale of preserved fruit or confectionery prepared with any form of sugar, cocoa, or chocolate. Confectioners were allowed until the 8th April to sell off their stocks, but only to specified categories of charitable institutions.

This prohibition continued in force until repealed by decree of the 1st February 1919. In the following year, indeed, the rise in the price of sugar rendered it necessary to reimpose restrictive measures, and the decree of 17th February 1920 again required confectioners' shops to be closed two days a week. This restriction was



suspended on the 12th June 1920 and finally abolished on the 25th September following.

## 2. *The Chocolate Industry.*

If fancy chocolates are an article of luxury, ordinary chocolate, on the contrary, possesses nutritive qualities which make it a useful article of diet. The control, therefore, to which the chocolate industry was subjected distinguished clearly between these two classes of products.

An *arrêté* of the 18th August 1917, to begin with, defined 'good ordinary chocolate' as chocolate composed of 64 per cent of sugar and 36 per cent of cocoa, fixed its sale price, and declared that only manufacturers who observed these prices would have sugar allotted to them by the Food Department. The same *arrêté* notified that the manufacture of superior chocolate, containing 45 per cent of cocoa, would only be allowed to the extent of 2 per cent of the total, and that this amount would be apportioned among makers who were known to produce superior qualities before the war.

But the exception was not long tolerated. The decree of the 12th February 1918 forbade the manufacture or sale of any chocolate other than that of ordinary quality, in tablets, sticks, croquettes, or powder, containing not more than 36 per cent of cocoa. This prohibition was maintained until repealed by the decree of the 22nd March 1919.

The sale of chocolate confectionery, like that of sugar confectionery, was forbidden on two days in each week by decree of 17th February 1920; and this fresh restriction was finally removed on the 25th September 1920.

## CHAPTER XIII

### CONTROL OF CHEESE-FACTORIES

AN inquiry ordered by the Food Minister, in the course of the summer of 1918, into the country's supplies of fresh milk brought to light the fact that these supplies were being reduced not only by causes inherent to the war, but also as a result of the extreme development of the industries by which milk was converted into cheese, butter, condensed milk, and other milk products.

Induced by the profits accruing from the high prices of all these products and notably of cheese, whose manufacture requires no expensive equipment nor skilled labor, not only the ordinary manufacturers but others newly engaged in the industry were absorbing, by constantly developing methods of collection, greater and greater quantities of milk. This tendency threatened to deprive the consumer of an essential foodstuff that the manufactured product did not replace, besides increasing its price, a subject that we need not deal with at this moment. There appeared to be only one effective method of putting an end to it, to control and ration the manufacture of milk products, and in June 1918 the Food Minister decided to adopt this course.

But before introducing a system of rations, it was necessary to obtain general statistics of the cheese and butter industry, of the quantity of milk it absorbed, of the quantity of its products, and of the plant at its disposal. The decree of 1st July 1918 required a return to be made by all manufacturers of milk products who exported their products outside their commune, showing the quantities of milk or cream collected monthly between the 1st January 1913 and 30th June 1918, and the output of milk products of each kind for the years 1913 to 1917, as well as the number and type of sterilizers in their possession.

The decree further enacted that all persons desirous of starting factories of the specified kinds after the 1st July 1918 should obtain the authorization of the prefect of the department, and declare for the purpose the number of sterilizers to be used, the monthly quantities of milk and cream required, and of the products to be manu-

factured. In the event of the authorization being refused by the prefect, appeal might be made within a month to the Food Minister.

When the results of the inquiry had been analyzed it was possible to proceed with the rationing; the persistent drought and consequent dearth of forage made the step obligatory and it was taken by the decree of the 27th September 1918, the provisions of which may be summarized as follows.

A Milk Distribution Committee was set up in each department, attached to the food-office of the department, to consider the distribution of fresh milk and the rationing of the industries manufacturing milk products. It was to be presided over by the prefect or his delegate, and to comprise representatives of manufacturers of cheese, butter, and condensed milk, as well as of the municipalities of the centers to be provisioned. Where the restriction of the factories of the department was necessary in order to secure the fresh milk supply required by the department itself, the ration was to be imposed by the prefect; where it was necessary in order to meet the requirements of other departments, by the Food Minister.

The rationing was to apply to the various categories of factory in the following order:

- (1) those which had not made the return required by the decree of the 1st July, or had made an incorrect return;
- (2) those established since the 1st August 1914, beginning with those most recently established, and those which since that date had modified or increased their production;
- (3) those established before the 1st August 1914, that had not since that date modified or increased their production.

In each of the above categories the rationing would apply successively to the factories producing the following classes of commodities:

- (1) Condensed milk and milk-powder.
- (2) Hard cheeses.
- (3) Soft cheeses.
- (4) Butter.

The rationing of butter-factories was only to apply to those falling within categories (1) and (2) above and it required the authority of the Minister.

Municipal *arrêtés*, or failing these prefectural *arrêtés*, might determine the conditions and arrangements under which, in the principal centers of consumption, children, the sick, and the aged should have the precedence in obtaining fresh milk, or should have it reserved for them.

In practice, it was the Minister who fixed the ration for the majority of the cheese-factories; his *arrêté* of the 27th November 1918 restricted the production of the factories therein specified to 50 per cent of the quantities of milk treated by them during the corresponding months of 1917.

These energetic measures produced the expected results and they did not have to be maintained in force long after the cessation of hostilities. The revival of milk production and increased assignments of condensed milk restored the equilibrium between supply and demand and enabled M. Vilgrain to propose, in accordance with his general policy, the release of the cheese industry from control. The decree of the 22nd March 1919 repealed those of the 1st July and 27th September 1918.



## CHAPTER XIV

### CONTROL OF FOOD CONSUMPTION IN RESTAURANTS, ETC.

THE restrictive measures that we have set out in the preceding chapters affected the consumer in his home. It would have been utterly unjust if corresponding sacrifices had not been imposed on those who, frequently from motives of personal convenience or preference, took their meals in hotels or restaurants. Control of food consumption in these places was called for all the more that some of these establishments and their habitual customers offered at times, and even in the darkest hours of the war, a somewhat sorry example; it would have been intolerable that a self-indulgent minority should have given the Allies a false impression of abundance and of easy and luxurious living. Moreover the dangerous and immoral squandering that prevailed in certain expensive restaurants had a manifest effect on prices, and contributed in a very large measure to the general rise affecting even the most necessary commodities.

The Food Minister intervened with energy early in 1917; hotels and restaurants were subjected to a rigorous control, which was maintained until the end of the war and, indeed, was temporarily reimposed in 1920.

The first restrictions were enacted by the *arrêté* of the 25th January 1917: it limited the number of dishes that might be served to the same consumer and the number that might appear on the bill of fare of each meal.

1. *Restriction of dishes served to each consumer.* By the above *arrêté* not more than two dishes, only one of which might be a meat dish, were to be served to the same consumer at one meal. He might, however, order in addition one soup or *hors-d'œuvre*, cheese, and dessert. Sweet dishes were forbidden, in order to reduce the consumption of flour, milk, eggs, and sugar; vegetables, whether raw or cooked, counted as one dish if served separately.

2. *Restriction of the bill of fare.* The bill of fare was not to comprise, for each meal, more than two soups and nine other dishes:

one dish of eggs at the consumer's choice,  
two dishes of fish,  
three dishes of meat,  
three dishes of vegetables.

These restrictions, ordered by simple *arrêté*, were enforced by no penalties; in order that some check might be possible, the managers and chefs of these establishments were merely required to submit the menu of the evening meal, if called for, to the police from 5 P.M. onwards. This *arrêté* was moreover repealed by that of the 24th April 1917 which instituted the two meatless days.

But immediately on the adoption of the law of the 10th February 1918, fresh restrictions of a more severe character were enacted by the decree of the 12th February of that year, and the penalties provided by the new law were made applicable. The decree related to hotels, boarding-houses, restaurants, cafés, refreshment rooms, bars, canteens, creameries, tea-shops, and all other establishments serving food or drink; it enacted, on the one hand, measures of general application, and on the other special measures in respect of what were deemed expensive establishments, those, that is to say, where the price of a meal exceeded six francs.

*Measures of general application.* In all the above establishments it was forbidden to serve or consume

- (1) any solid food between 9 and 11 A.M. and between 2.30 and 6.30 P.M.;
- (2) fresh or condensed milk and cream, either alone or mixed with tea, coffee, or cocoa, after 9 A.M.;
- (3) butter except in the preparation of dishes;
- (4) sour or curdled milk;
- (5) cream cheese or soft cheese of a specified quality;
- (6) sugar (but consumers might bring their own).

*Measures applying to expensive establishments.* As regards these the decree laid down a type of meal that might alone be served to consumers. It comprised

a roll of 100 grams ( $3\frac{1}{2}$  oz.) of ordinary bread;  
one soup or *hors-d'œuvre* or oysters;  
two dishes with or without vegetables;  
one dessert (fruit, compote, jam, marmalade, or ice containing neither milk, cream, sugar, eggs, nor flour).

The decree further ordered that a portion of meat should not contain more than 200 grams (7 oz.) including bone, or 150 grams (5¼ oz.) excluding bone.

It should be added that the meatless days had of course to be observed in establishments open to the public, as well as the prohibitions relating to the manufacture and sale of pastry and sweets.

In the light of experience, some of the above restrictions proved unduly severe; the limitation of the hours within which meals might be served, in particular, was a source of serious difficulty to many workmen and employees obliged by the conditions of their work to take their meals before 11 A.M. and before 6.30 P.M. Modifications in their favor were accordingly introduced, but under very strict regulations and only in the cheaper establishments. The managers of these had to make a declaration of the grounds on which they proposed to serve meals before the above hours, of the hours at which the service would begin, and of the number of customers in view; to post up prominently both inside and outside the premises the hours declared as above; and to interrupt the consumption of solid food on their premises for at least three hours between the midday and evening meals.

Moreover it appeared reasonable to widen the customer's choice of dishes on the meatless days, and the decrees of the 13th May and 4th June 1918 authorized the consumption on those days in restaurants and similar establishments of fresh or condensed milk, sour or curdled milk, and cheese. But this permission was canceled by the decree of the 16th July 1918, which abolished the meatless days.

The above restrictions met with a very general observance; they remained in force throughout 1918 and were repealed by the decree of the 4th January 1919.

But fresh regulations became necessary in 1920, not so much for the purpose of economizing the food supply as in order to attempt to check the new rise in the prices of all commodities, most of which were reaching levels unknown during the war. Successive decrees of February, June, August, and November 1920 prohibited afresh the consumption in public establishments of milk and cream, pastry, biscuits, raised pies, confectionery, fancy chocolates, and ices made with flour (on two days a week); and restored the type-meal con-

sisting of two dishes. These new restrictions were in force only for a few months and were finally abolished by decree of the 19th February 1921.



## PART II

### PRICE CONTROL AND EFFORTS TO REDUCE COST OF LIVING



## PREAMBLE

THE essential needs of the consumer would have been only partially met by the series of legislative measures and regulations above set forth. The object of these was to secure the principal commodities that the country needed and to distribute them judiciously; by themselves they could not have protected the consumer against a danger that soon became manifest: that of a rise in prices.

The danger, it is true, did not appear immediately: during the first months of the war a rather marked fall in food prices was observed in Paris, due, it would seem, to the absence of a large part of the population and to the abundance of the stocks still available. But this phenomenon was of short duration: from the middle of 1915 onwards all prices showed a tendency to rise and, so long as the war lasted, this tendency was maintained and aggravated. The movement of prices from 1914 to 1920 was certainly, from the economic point of view, one of the most striking features of this period, and as early as 1915 the Government realized that it behoved it to watch this movement, to try to check a too rapid rise, and to meet the high cost of living with an organized resistance.

The maintenance of public order and, above all, the maintenance of the morale of the population made it indeed necessary to secure that insurmountable difficulties in the material problems of everyday life should not be added to their anxieties and sufferings. These difficulties assumed an acute form towards the end of 1915, as may be gathered from a study of the following tables, in which the wholesale and retail prices of the principal articles of domestic consumption in 1913 and 1915 are set side by side.

*Wholesale Prices.*

<i>Article</i>	<i>Quantity</i>	<i>Average price</i>	<i>Price, end of</i>
		1913	1915
		<i>frs.</i>	<i>frs.</i>
Wheat, the 100 kilos (220 lb.)		27.83	31.90
Flour, the 100 kilos (220 lb.)		40.74	65
Beef, the kilo (2.2 lb.)		1.56	2.01
Vcal, the kilo (2.2 lb.)		2.18	2.84
Mutton, the kilo (2.2 lb.)		2.29	2.51
Pork, the kilo (2.2 lb.)		1.73	2.42
Wine of the Midi, the hectoliter (22 gallons)		37.36	63
Raw sugar, the 100 kilos (220 lb.)		30.86	81.87
Refined sugar, the 100 kilos (220 lb.)		64.75	108.50
Butter (average quality), the kilo (2.2 lb.)		3.29	4.90
Coffee, the 50 kilos		68.32	56.00
Paraffin, the hectoliter		24.30	34.50
Eggs, the 1000		127	165
Cabbages, the 100 kilos		7	24
Carrots, the 100 kilos		10	20
Turnips, the 100 kilos		12	32
Potatoes, the 100 kilos		12	17

*Retail Prices.*

<i>Article</i>	<i>Quantity</i>	<i>Price,</i>	<i>Price,</i>
		July 1914	end of 1915
		<i>frs.</i>	<i>frs.</i>
Beef (without bone), the kilo		3.60—4	4.45—4.50
Bread, the 2 kilos		0.85	0.90
Butter, the kilo		3.60—4	3.60—4
Milk, the liter (1¾ pints)		0.30	0.30
Eggs, the dozen		1.20—1.80	1.20—1.80
Haricot beans, the kilo		0.80—0.90	1.00
Peas, the kilo		1.00	1.30
Lentils, the kilo		0.75—1.05	1.50
Sugar, the kilo		0.70—0.80	1.20—1.25
Coffee, the kilo		4.40—5.60	5.60
Paraffin, the liter		0.60—0.65	0.60—0.70
Potatoes, the 2 kilos		0.30—0.35	0.55—0.60
Ordinary wine, the liter		0.40—0.60	0.30—0.50
Coal, the 100 kilos		6.80	8.80



The latter table reveals an average rise of 13 to 14 per cent in the price of meat, of 30 per cent in that of potatoes and coal, of 60 per cent in that of sugar, and of 70 per cent in that of lentils. In a more general manner, we may estimate the increase, during the first year of the war, in the cost of the food of a family of modest means at about 30 per cent. This was only a beginning, and we shall see presently the height reached by the curve of prices in 1919 and 1920.

It would be premature to examine the causes, direct and indirect, of this movement; we shall do this more appropriately at a later stage (see page 287), and we will confine ourselves for the present to indicating briefly the essential lines of the action taken by the Government to control prices.

In this respect we may distinguish two periods in the economic history of the war, two distinct policies in the resistance offered to the increasing cost of living.

The earlier period was the longer, for it extended from 1915 to the end of 1918; but it was also that in which results were the most disappointing. During this period the policy adopted was one of authoritative orders and regulations. Although the profound economic causes of the rise of prices were not absolutely misunderstood, the opinion nevertheless prevailed that the rise was in a large measure artificial, and to be attributed in the main to speculation and the desire for gain. In these conditions a simple, a too simple, idea is apt to occur to the mind: that the most efficacious method of checking the rise of prices is to fix them. The general policy adopted was accordingly to find out by investigation what the essential commodities ought to cost and then, by regulation, to lay down the maximum prices that these commodities were not to exceed. It was in fact the policy of the control of prices. It was supported by a system of repression directed against those who evaded the tariffs, or who, by realizing profits that appeared abnormal, laid themselves open to the charge of 'illicit speculation.'

During the second period—the years 1919 and 1920—on the contrary, the illusion that purely administrative measures, however well thought out, can serve as a panacea in a time of economic disturbance was abandoned; the study of the problem was taken up from a wider point of view and its essential factors were unraveled;

it was seen that the causes of the evil lay in the misunderstanding of principles that experience has always borne out, and every effort was now directed to their observance. This policy aimed at restoring the play of economic laws.

## CHAPTER XV

### THE CONTROL OF PRICES

#### 1. *The Law of the 20th April 1916.*

FRENCH legislation before the war had not empowered the administrative authority to fix the prices of commodities. A law of the Revolutionary period (19th-22nd July 1791), which had never been repealed but had become obsolete, allowed mayors of communes to fix the price of only bread and butcher's meat, and expressly excluded wine, grain, and other commodities.

The Government had accordingly to approach Parliament when, towards the end of 1915, it decided on the policy of controlling prices. A draft law, general in its scope and simple in its provisions, was laid before the Chamber on the 3rd November 1915. It laid down that, while hostilities lasted, all commodities and substances necessary to subsistence, heating, and lighting might have their prices fixed by the administration; it entrusted this power in principle to the mayor of the commune, and failing him to the prefect acting with the advice of a consultative commission. Penalties of fine and imprisonment were provided for nonobservance of the fixed prices.

It was adopted by the Chamber with divers amendments—the power of fixing prices was, in particular, transferred from the mayor to the prefect—but met at first with vigorous opposition in the Senate. M. Perchot, in a very interesting report, closely criticized the policy of fixed prices and in general any arbitrary intervention by Government in what should be the domain of economic law; he proposed to maintain the law of 1791, extending it only to a single commodity—sugar, whether home-grown or foreign; he recommended further that prices should be fixed by decree of the central Government.

Perhaps the Senate might have adopted this view; but while the debate was in progress, the Government introduced a new bill, less general in scope and more carefully drawn than its first proposal. This was adopted by the Senate and Chamber without amendment, and became the law of the 20th April 1916 on the control of prices.<sup>1</sup>

<sup>1</sup> Control of prices is only one of the subjects dealt with by this law: it

It authorized the control, while hostilities lasted, of the price of sugar, coffee, mineral oil and petrol, potatoes, milk, margarine, edible fats and oils, dried vegetables, fertilizers, sulphate of copper, and sulphur; it expressly left wheat and flour subject to the provisions of the law of the 16th October 1915 and bread and meat to those of the law of 1791.

The Government, instead of receiving the wide powers it had at first demanded, was thus enabled to control the prices of only certain specified commodities, with this exception, that in the zone of military operations General Officers commanding armies and the General Officer commanding the Northern District were authorized to fix the prices of all foodstuffs and beverages required for the military forces, and even of those destined for the civil population, but as regards the latter only after consultation with the prefects concerned.

Among the commodities whose price might be controlled, the wholesale prices of coffee, sugar, mineral oil, and petrol were to be fixed by decree, the prefects being authorized to fix their retail prices with due allowance for the reasonable cost of transport, handling, etc. The prices of all the other commodities enumerated above were to be fixed by the prefects after taking the opinion of their Consultative Commissions.<sup>2</sup> The prices of bread and butcher's meat might be fixed by the mayor of the commune or, in his default, by the prefect. Provision was made for appeal to the appropriate Minister against prices fixed by the prefects, and the procedure for this was laid down in detail. Finally the law required every dealer in the commodities in question to post up in a prominent place the prices fixed by the prefect, and imposed penalties for infringements of the decrees and prefectural *arrêtés* relating thereto.

Such were, in their main lines, the dispositions on which, during the next few years, the Government's policy of price control was to be based. Limited and hedged in with guarantees as they were, they

also contains important provisions relating to the supply of the civil population by purchase and requisition, and to the repression of illicit speculation.

<sup>2</sup> Composed of the prefect, four members nominated by him, four nominated by the General Council, four nominated by the Chamber of Commerce, four nominated by the Agricultural Societies, the Director of Agricultural Services, and the Veterinary Officer, all of the department.



conferred on the administration a power remarkable in its extent and delicate to handle.

Indeed, in the instructions that he issued on the 6th May 1916 to the prefects, the Minister of the Interior did not fail to lay stress on the spirit of prudence and wisdom in which the Government intended that the new law should be applied. He warned them against the danger of fixing prices systematically and hurriedly; control of prices, he insisted, was to be used as a remedy for ascertained abuses, not as a general measure. Prefects must carry out an accurate investigation into the economic processes of their departments, in case the control of certain prices should be eventually decided on; they must trace the commodity from producer to consumer, noting the additions to its price as it passed from one middleman to another, so as to detect the precise stage at which the increase of price exceeded a normal profit: that would be the point at which to intervene. The intervention should at first take the form of a warning, or of an attempt at conciliation; and only subsequently, if agreement proved impossible, should control be resorted to and prices fixed, on the basis of cost of production increased by a reasonable and normal rate of profit.

These were wise instructions. Unfortunately they were largely disregarded; and before long, partly in consequence of the preconceived ideas of those who had to put the system into operation, partly under the pressure of a public opinion ignorant of the economic factors of the problem, price control underwent a development that was fatal in its consequences.

First of all, to the commodities restrictively enumerated in the law of the 20th April 1916, the law of the 30th October of the same year added butter, cheese, and oil-cakes. Then was voted the fundamental law of the 10th February 1918, of which we have given a summary in our Introduction. By empowering the Government to regulate and suspend the production, manufacture, movement, sale, possession, or consumption of commodities serving as foodstuffs for men or animals, this law led the Administration to interfere, in an increasingly direct manner, in every branch of production and in every economic relation. Successively all essential foodstuffs, all substitute foodstuffs, even commodities of secondary importance entering into the composition of essential foodstuffs, came to be

subjected to an administrative control that determined the conditions under which they might be produced and sold. We shall now study this system as it was applied to the several commodities. We should however note, to begin with, that two different methods of control were applied: the method of fixed prices, and that of maximum prices. The difference may not at first sight be clearly apparent, and indeed their results were approximately the same.

The method of maximum prices was less rigid than that of fixed prices and its underlying conception did not entirely disregard economic laws. Whereas under the method of fixed prices, the price of a commodity is absolutely determined, the method of maximum prices is concerned only with wholesale prices or prices payable to the producer; it does not attempt to set up a definite tariff but confines itself to indicating a wholesale price that must not be exceeded; this is calculated with reference to its component elements, which may have the effect of carrying the actual price up to the maximum, though as a rule the actual wholesale price is expected to remain below the maximum. Retail prices, on the other hand, under this system, are allowed to settle themselves normally, on the basis of the wholesale price or cost of production.

The method of maximum prices has therefore the advantage that it seeks not so much to fix prices artificially as to regulate them. But, in practice, experience soon showed that the two systems had identical results; where maximum prices were decreed, they became the effective prices and were equivalent to fixed prices.

Moreover, the two systems were frequently applied simultaneously to the same commodity. Thus as regards meat, an attempt was made to establish, by the one method, the maximum prices payable to the producer and on the wholesale market, and by the other, the fixed retail prices payable by the consumer.

## *2. The Bread Policy.*

The successive measures taken during the war to secure the regular provision of bread for the population, which went so far as the institution in 1917 of the monopoly of cereals (see above, page 178), had as a further, perhaps as their principal, object to make it possible for the Food Ministry to exercise an absolute control over its retail price.

As soon as the first rise of prices became manifest, the problem of how to keep down the price of bread became extremely urgent. No doubt the mayors of communes were empowered by law, as we have seen (page 249), to fix the maximum price at which bread might be sold. But they could do this successfully only if variations in the prices of wheat and flour were restricted within very narrow limits. It was soon evident that this was not to be hoped for. Not only were wheat and flour affected by the general causes that were bringing about the rise of prices, but, even more, the imperative necessity of maintaining to the utmost the home production of grain obliged the Government to accept successive increases in its price.

The difficulty of the problem is apparent: while the rates of the raw material were constantly rising, the price of the finished article had to be kept approximately constant. Considerations, indeed, both social and ethical made it impossible to allow the price of bread to be determined, so long as hostilities lasted, by the free play of economic forces. Bread in France is more than an essential article of diet for every consumer; for the greater part of the population it is, so to speak, a symbol. It was to be feared that too marked a rise in its price would have a depressing effect on the country's morale, with consequences that might be extremely grave.

Accordingly, as early as 1915, the Government laid down the principle that the price of bread must be maintained at little more than the pre-war rate, that is, at about 45 centimes the kilo (2.2 lb.). This object was attained at the cost of considerable financial sacrifices, which the State successively accepted as the price of cereals and flour rose.

*Successive prices of wheat, secondary cereals, flour, and bran.* Before the war the average price of home-grown wheat fluctuated between 23 and 25 francs the quintal (220 lb.), and foreign wheat, which bore a customs duty of 7 francs the quintal, realized about the same price.

When, in 1915, Parliament for the first time opened credits to enable the Government to purchase wheat and flour for the supply of the civil population, it was considered necessary to allow farmers a more remunerative price than the above, but still to limit the price payable. The law of the 16th October 1915 fixed the price payable in respect of requisitioned wheat of a specified quality and degree



of purity at 30 frs. the 100 kilos. On the other hand, it laid down the principle that thenceforth the price of flour should be fixed: it empowered the Minister to fix it by decree, or to delegate to the prefects the power of fixing it; the price was to be calculated on the basis of an extraction of 74 per cent at least. The power thus given was in practice at once delegated to the prefects, who were instructed to fix the price having regard to

- (1) the percentage of extraction, and the yield in terms of bread;
- (2) the price of wheat delivered at the mill;
- (3) the sale price of the offal;
- (4) the cost of grinding (including profit).

In the majority of departments the price of flour was fixed at 40 frs. 33 or 40 frs. 67 the quintal.

The following year the price of wheat was again raised. The law of the 29th July 1916 fixed the price of the quintal of wheat at 33 frs. and raised the percentage of extraction of flour to 80 per cent.<sup>3</sup> The price of flour, based on these two factors, was raised to 43 frs. 50.

A law of the 17th April 1916 further authorized the Government to fix by decree the maximum prices of oats, rye, barley, bran, and offal. And finally, early in 1917, the Parliament, by the law of the 7th April, delegated to the Government the power of fixing by decree the price of wheat. The administration availed itself of the general powers thus given it to fix by successive decrees, from 1917 to 1921, the purchase price of all cereals and the sale price of flour and bran. The decrees are summarized in the following table, which brings out how steadily these prices rose, under the pressure of the causes already alluded to, and also of the ever-growing cost of foreign wheat as freights increased and the exchange value of the franc fell.<sup>4</sup>

<sup>3</sup> It had been raised to 77 per cent by the law of 25th April 1916.

<sup>4</sup> Prices of foreign wheat followed a curve analogous to, and even steeper than, that of home-grown wheat. They reached 80 and 90 frs. in 1917-1918, and exceeded 100 frs. in 1919. So it was with foreign flour, whose cost rose to about 125-130 frs.



*Successive prices of wheat, secondary cereals, flour, and bran, from 1917 to 1921.*

<i>Date of Decree</i>	<i>Barley,</i>			
	<i>Wheat</i>	<i>maize, rye</i>	<i>Flour</i>	<i>Bran</i>
	<i>frs.</i>	<i>frs.</i>	<i>frs.</i>	<i>frs.</i>
8 April 1917	36	34 and 33	45.75	21
13 July and 30 November 1917	50	42	51	35
21 May and 22 July 1918 (harvest 1918)	75	55	50	40
13 September 1918 (harvest 1919)	73	53	50	40
3 February 1920 (harvest 1919)	73	53	93	48
12 and 25 August 1920 (harvest 1920)	100	80	128	47
10 May 1921 (harvest 1921)	100	80	128	47

*Control of the price of bread.* The price of bread, when economic forces operate freely, is determined by the price of flour, the cost of baking including the baker's profit, and by the fact that 100 lb. of flour yield 120 lb. of bread.

The first increases in the price of wheat and flour were inconsiderable, and only affected the price of bread to the negligible extent of 1 or 2 centimes. During the first years of the war the Government was able to avoid interference, and confined itself to reminding mayors and prefects of their power of fixing prices under the law of 1791, a power that, if necessary, it was their duty to exercise. As a matter of fact, the price of bread, which was 43 centimes a kilo in 1914, did not exceed 44 centimes in 1915 and 45 centimes in 1916.

But the increase of the price of wheat to 50 francs in 1917 brought about a marked change in the situation, and it became evident that in default of immediate steps to prevent it, the price of bread would rise like that of other commodities and reach perhaps 60 centimes, 80 centimes, or even one franc the kilo. We have already seen the Government's concern at this prospect and their decision to fix, for the whole period of the war, a maximum price for bread. To attain this result, two systems were successively applied: that of reimbursements, and that of sales of grain below cost.

(1) *System of reimbursements.* This was first adopted in 1917, and applied for the benefit of the millers. By decree of the 8th April 1917 the Food Minister was to reimburse to the millers the difference between the price of wheat—33 frs.—fixed by the law of the 29th July 1916 and the increased price of 36 frs. subsequently

adopted, unless this increase should be compensated by an increase in the prices of flour and bran. As a result of these reimbursements, millers were able to accept a price for flour of 45 frs. 75. On the other hand, the decree of the 8th April authorized an increase in the price of bread of 2½ centimes, bringing it to 47.5 centimes the kilo.

The decree of the 13th July 1917, which raised the price of flour to 51 francs and of bran to 35 francs, made it possible to dispense with reimbursements to the millers, but entailed interference in favor of the bakers. This again took the form of reimbursement: it was provided that in all departments where the price of flour involved an increase in the price of bread beyond 55 centimes, the Food Minister was to reimburse to bakers the sum required to keep the price at 55 centimes.

Experience proved this system to be extremely complicated: it required that the whole of the bakers' transactions should be accounted for and audited in detail, and it lent itself to many fraudulent practices. It was accordingly soon abandoned in favor of the system of sales of grain below cost.

(2) *Sales of grain below cost.* In order definitely to stabilize the price of bread, the price of flour had to be definitely stabilized also, whatever might be the price of grain. This became possible when the decree of the 30th November 1917 had set up the monopoly of the purchase and sale of cereals. As we have seen, this decree fixed the price of flour throughout the country at 51 frs.: it was reduced to 50 frs. by decrees of May, July, and September 1918, and the price of bran on the other hand was raised to 35 frs. and then to 40 frs. But millers would not have been able to sell their flour at this fixed price, had they had to pay the fixed price for grain. The Food Minister therefore adopted the only possible solution of the problem by fixing as follows the prices at which cereals should be supplied to millers:

	<i>Frs.</i>		<i>Frs.</i>
Wheat	43	Barley	40.40
Maize	43	Buckwheat	34.40
Meslin	42.30	Millet	27.50
Rye	41.50	Beans	38.30

A comparison of these sale prices with the purchase prices shown in the table on page 255 gives some idea of the heavy and increasing charge accepted by the State in order to keep the price of bread at 55 centimes. The system was in fact maintained until the 1st March 1920, and was applied not only to home-grown but also to foreign grain. Its financial consequences will be examined in our concluding chapter.

*Return to the normal price of bread.* The unquestionable necessity, under which Government was placed, of keeping down the price of bread during hostilities makes it impossible to criticize the adoption of the above system. We must, however, point out that apart from the heavy deficit that it caused in the Food Account, the system, considered in itself, is open to the charge of being in manifest contradiction with economic principle, in that it attached, by order of the Government, an absolutely artificial price to a particular commodity.

This aspect of the question could not escape the notice of M. Vilgrain when, immediately after the armistice, he was called in to endeavor to check the rise of prices and above all to restore the equilibrium of the market. He at once set to work to put an end to the system of sales below cost, and to reëstablish, in respect of bread as of other commodities, a genuine price solely determined by the play of economic forces. But the problem was a delicate one and many capable observers doubted the possibility of inducing public opinion to accept an increase in the price of bread when it was pressing so urgently for a general reduction in the cost of living. The decree of the 13th September 1918 had fixed the purchase price of 1919 wheat at 73 frs., which would entail bread at 90 centimes or 1 fr. the kilo, as compared with the existing price of 55 centimes.

M. Vilgrain allowed neither this difficulty nor political considerations to stand in his way; he recognized that nothing must be hurried, but after studying the question in all its aspects, he resolutely rejected all proposals for proceeding by stages, which would postpone to a more or less distant date the return to the normal price of bread, and came to the conclusion that this price must be re-established in a single operation. A decree was drafted and the scheme was completely elaborated, when the Clémenceau ministry resigned.

But the necessary work had been done. M. Millerand, the new President of the Council, and M. Thoumyre, Under Secretary for Food, perceived the inexpediency of deferring the project, and on the 3rd February 1920 the decree prepared by M. Vilgrain was promulgated. It provided for the abolition of sales below cost, and, on the other hand, enacted certain transitional measures in favor of particular categories of consumers on whom the sudden rise in the price of bread would have pressed too heavily.

From the 1st March 1920, the purchase price of wheat being 73 frs., and of rye 53 frs., home-grown or foreign grain was to be sold by the Food Department to the miller, carriage paid, at the following prices the 100 kilos:

	<i>Frs.</i>
Wheat	76
Meslin	74
Rye	71.50

The price of flour was fixed at 93 frs.

As for bread, the prefects were to fix the maximum price on the basis of the price of flour. In fact, the price settled down at 90 centimes to 1 franc the kilo.

This system, in entire conformity with sound economic principle, was confirmed by the decree of the 25th August 1920, which raised the price of supplies to the millers to the following rates:

	<i>Frs.</i>
Wheat	100
Meslin	96.25
Rye	92.40
Maize	99

The price of bread rose in consequence to 1 fr. 10.

This reform, fraught with peril as it appeared when first discussed, aroused no opposition. Public opinion had, it is true, been prepared for it by the various steps taken in 1919 by M. Vilgrain to restore the play of economic forces, and its introduction was no doubt rendered easier by the transitional measures adopted in connection with it.

These consisted in the grant to specified categories of consumers of bread-tickets entitling them to obtain daily from their baker 400



grams (14 oz.) of bread at the price ruling on the 1st February 1920, that is to say, 55 centimes the kilo, the baker being recouped the difference by the commune, which received the necessary funds from the Food Department.

The categories of consumers who were entitled to bread-tickets, if they formally applied for them, were defined as follows by the decree of the 11th March 1920:

- (1) Heads of families having at least three children dependent on them, a ticket for each child below 17 years of age;
- (2) Women having at least two children dependent on them, a ticket for each child below 17;
- (3) Invalided military pensioners, incapacitated to a specified extent from work;
- (4) Workmen incapacitated to the same extent, as a result of accidents occurring in the course of their employment;
- (5) Necessitous, aged, blind, sick, and infirm persons, and children, in receipt of relief, within certain limits;
- (6) Women with child, from the fifth month of pregnancy, and nursing mothers.

This system, wisely and happily conceived, was maintained until the 21st August 1921, that is, until the Government finally ceased to regulate the trade in grain, flour, and bread; if it still involved a burden on the Treasury (of 30 million francs a month on the average), it had the unquestionable advantage of preparing the way for the return to freedom of commerce in an important sphere of food supply, and that in a manner much less expensive than the system of sales below cost, and without risk of disturbance to social order.

### *3. Control of Meat Trade and Meat Prices.*

The meat trade was one of those most disturbed by the war. The disturbance was all the greater that this trade in the preceding years of peace was almost entirely devoid of rational organization: a multiplicity of middlemen intervened between producer and consumer; and the sale, transport, and slaughter of cattle were conducted by archaic methods. Nevertheless the need for the direct intervention of Government and for the control of the trade was not felt until 1918; for during the first three years of the war, the tariffs at which meat was purchased for the supply of the armies acted as

a sufficient regulator. Being the principal buyer, the military administration was able in an appreciable degree to check the rise in prices, and these were kept, until the 1st January 1918, within such limits as might be justified by the war. Thus, for example, at La Villette,<sup>5</sup> the maximum price of second quality beef rose from 1 fr. 76 in 1914 to 2 fr. 32 in 1915, 2 fr. 92 in 1916, 3 fr. 64 in 1917, and fell at the end of 1917 to 3 fr. 02. But from the beginning of 1918 the rise proceeded at a rapid rate: prices reached 3 fr. 76 in February, 4 francs in March, 4 fr. 88 in April, 5 fr. 44 in May. Intervention had, in fact, become necessary.

The most efficacious course would no doubt have been to apply to meat the system adopted in respect of grain, that is to say, to fix a uniform price and to entrust the State with the monopoly of the purchase of cattle, alike for military and for civil consumption. But such a system would have required a complicated organization and a large staff, and its adoption would have entailed a long delay. The Government thought it expedient, while ordering a scheme of meat monopoly to be drawn up, to confine itself for the moment to measures capable of being at once put into force.

*The control of 1918.* The decree of the 28th May 1918 regulated the sale of live cattle and of meat by a combination of the systems of maximum price and of fixed price.<sup>6</sup> It provided that the maximum price of live cattle in the public markets might be fixed by ministerial *arrêté*; and that the maximum price of meat wholesale and semi-wholesale might be fixed by prefectural *arrêté* approved by the Minister; and it recalled the fact that it was the duty of mayors of communes, under the law of 1791, to fix the retail price of meat, having regard to the maximum prices fixed for live cattle.

Further, to allow for local customs, the decree set up, in every market where the maximum price of live-stock had been fixed by ministerial *arrêté*, an arbitration committee comprising a representative of the Government, a cattle-dealer and a wholesale butcher, who should determine, at the commencement of each market, the

<sup>5</sup> The principal Paris market for live cattle.

<sup>6</sup> A second decree of the same date required every owner of oxen, sheep, and pigs to make on a special form a return of the animals in his possession on the 30th June 1918, with a view to a general census of the country's live-stock.

maximum prices according to grade at which stock was to be sold that day.

In compliance with this decree, successive ministerial *arrêtés* in May, June, July, and August 1918 fixed the maximum live-weight prices of meat at 4 fr. 80, 4 fr. 30, and 4 francs for beef, 5 francs, 4 francs, and 4 fr. 60 for veal, 6 fr. 20 for mutton, and 4 francs for pork.

As regards retail prices, the tariff fixed by order of the Prefect of Police of Paris dated 13th June 1918, of which extracts are given below, may serve as an example:

<i>Beef</i>	<i>1st Quality</i> <i>frs.</i>	<i>2nd Quality</i> <i>frs.</i>	<i>3rd Quality</i> <i>frs.</i>
Fillet	9.50	9.30	8.90
Rump-steak	8.80	8.60	8.20
Ribs	7.60	7.50	7.00
Silver-side	6.70	6.50	6.00
Thin flank	4.00	3.80	3.50

The above are net-weight prices.

This system, in the early days of its application, had an appreciable effect; the maximum prices checked the rise not only during the months when live-stock are normally scarce on the market (May and June), but also during the period when they are usually abundant, but when, owing to the difficulty of transport and to foot-and-mouth disease, market supplies were generally below requirements.

But, like all restrictive measures, it soon lost its efficacy. Prefects and mayors either were slow in applying it or uniformly adopted the maximum price named in the ministerial *arrêté*, whereas in theory this price, being a maximum, ought only to have been put in force in districts where cattle were dearest, that is to say, in the consuming areas, while a gradually diminishing scale ought to have been adopted in the producing areas.

Moreover, the control did not extend to all dealings in meat: direct purchases of meat from the producer, in particular, escaped the restrictions on the price of cattle and of wholesale meat, and were only affected by the fixed retail prices, the enforcement of which was more difficult to secure.

A fresh rise of prices in the autumn made it necessary to set up a more complete control over the trade. The primary objects of the



decrees of the 19th October 1918 were, first, to secure that the maximum prices should be everywhere operative and should apply to all transactions in meat, and secondly, to facilitate by new measures the enforcement and control of these prices.

As regards the price of meat, it provided that a ministerial *arrêté* should fix for each department the maximum price of live-stock payable to the breeder; that in each department a prefectural *arrêté* should fix the maximum prices of cattle on the market, and the maximum wholesale and semi-wholesale prices; and that retail prices should as before be fixed by the mayors, or, failing them, by the prefects.

In order to render control effective, the decree forbade sales of cattle by the net-weight method and made it obligatory to base the price of every beast sold for slaughter on its live weight. Further, in order to put an end to the irregularities rendered easy by the custom of keeping no record of dealings in cattle, it provided that no beast should be admitted to a slaughter-house without a certificate of origin signed by the vendor, giving the description of the animal, name and address of purchaser, and live-weight price; and this certificate was to be forwarded to the veterinary inspector.

The penalties provided by the law of the 10th February 1918 were made applicable to infractions of the decree or of the ministerial or prefectural *arrêtés* issued in connection with it; and any animal intended for slaughter in respect of which any of the provisions above described had not been complied with was made liable to requisition.

The ministerial *arrêté* fixing maximum prices for cattle for each department was promulgated on the 24th December 1918. For oxen and sheep, prices were fixed according to the regions where the types of stock reared were fairly similar, without distinguishing between breeds; for pigs, the price was fixed according to weight, without regard to locality.

This complicated, though still fragmentary, system of control does not appear to have exercised any marked influence on the price of meat. Indeed, the authors of the last decree admitted, in the report that preceded it, that the only really efficacious measure would have been the general requisition of live-stock, which would have permitted the centralization in certain markets of all dealings in cattle



for slaughter and in wholesale meat, and the rational organization of the trade. But even these measures would have been open to objection, like other forms of administrative interference in the economic sphere, and it was wisely decided not to embark upon them.

As soon as the general situation improved after the armistice and the imports of refrigerated meat allowed competition to exercise its influence on prices, the Under Secretary of State for Food proposed and obtained the release of the meat trade from control. A decree of the 5th March 1919 simply repealed the two decrees of the 28th May and 19th October 1918.

*The attempt of 1920.* During the whole of 1919 the consumer had every reason to congratulate himself on the decontrol of the cattle and meat trade. Competition intelligently stimulated, the organization of municipal meat-shops, and increased assignments of refrigerated meat, all exercised a favorable influence on the course of prices, which, during this period and the greater part of 1920, may be said to have answered closely to economic conditions. Unfortunately these conditions, in 1920, were still far from satisfactory, and at the season when marketable cattle are scarce, there occurred, as might have been foreseen, a fresh rise. Public opinion, perhaps no longer sufficiently directed and supported, once more took alarm; charges of speculation were again launched at the dealers, and again the Government sought a remedy in administrative control of the trade. This control was enacted by the decree of the 18th October 1920, the provisions of which are instructive as revealing the state of mind that then prevailed.

The decree began with detailed provisions for the marking of beasts sold in public markets in such a way as to indicate their quality; bills and documents relating to the sales were to show, besides the price and quality, the estimated live weight of the animals sold. Moreover, in the principal markets the beasts were to be weighed in presence of the purchaser; if sufficient weighing-machines were not available, the estimated weight claimed by the seller was liable to be checked, and settled in case of dispute, by the Committee of Control of the market, composed of representatives of the breeders, sellers, and buyers, and presided over by a representative of the veterinary service. The Committee was to have the right of checking transactions, verifying the grades assigned to the beasts,

and, in the event of disagreement on this point, to decide it; at the close of the market it was to record the extreme and average prices made by each grade of animal. The veterinary official was to report any fraudulent transaction or illicit speculation he might have observed.

Detailed regulations followed regarding the marking of meat according to its quality when it was offered for sale, and the particulars to be entered on the invoice when it was sold, whether wholesale or retail. Finally, penalties were provided for infractions of the decree.

It may be inferred from these minute provisions that the authors of the decree were animated by the most laudable intentions. They made no attempt, as their predecessors in 1918 had done, to determine, by order, the maximum or fixed price of meat; they confined themselves to an endeavor to introduce method and, in fact, the maximum of honesty in the relations between producers, middlemen, and consumers. The decree, it must be admitted, was a fine piece of work carefully thought out.

But it may be doubted whether it was a practical scheme. Its many complicated formalities were, as experience soon showed, incompatible with the simple and rapid conduct of commercial business. From the moment of its publication, not only did producers, middlemen, and retailers unite to condemn the decree—these might be suspected of organizing a systematic campaign—but even consumers failed to take any interest in it, and never thought of insisting on the observance of the provisions designed for their protection.

Government was wise enough not to persist unduly, and a decree of the 19th February 1921 repealed the still-born decree of the 18th October 1920.

Since then a Commission has been considering a rational organization of the cattle and meat trade. . . .

*Control of prices of refrigerated meat.* We have seen that down to 1920 the State maintained a monopoly of the import of frozen and refrigerated meat, and that, until the armistice, almost the whole quantity imported was assigned to the armies. During 1920 and 1921, on the contrary, as demobilization proceeded, the Food Department placed constantly increasing amounts at the disposal of the civil population.

The prices were determined as follows: before the issue of the decree of the 19th November 1920, the Food Department fixed the prices at which the meat was to be delivered from storage to wholesale dealers, and the prices at which the latter were to supply retailers. Retail prices were fixed by the prefects. This system had to be slightly modified when freedom of import was restored. The decree of 19th November 1920 required importers to declare the maximum price c.i.f. or ex-depot at which the meat would be sold in France, and the Under Secretary of State for Food, advised by a consultative commission, determined each fortnight the maximum wholesale price on which the prefects were to fix retail prices in the departments.

In a general way wholesale prices, both before and after the decree of the 19th November 1920, were fixed commercially, that is to say on the basis of cost. They accordingly varied with fluctuations in the exchange and in the price of freight. But they were nearly always substantially below the prices of fresh meat of a corresponding description, and it may be asserted that the rise of the latter was effectively checked in 1919 by the sales of refrigerated meat.

#### 4. *Control of Prices of Sugar and Saccharine.*

The measures taken by Government during the war to secure the country's supply of sugar<sup>7</sup> were designed not only to meet the consumer's needs, but also to prevent this essential commodity from rising to a prohibitive price. The danger was unquestionable; it became apparent in 1915, with the reduction of home production owing to the enemy occupation of Northeastern France, with the competition of the Allies and Neutrals on the sugar markets of the world, and with the increase in the cost of freight due to submarine warfare, all of them factors that must necessarily cause a progressive rise in the price of sugar.

We have here, as we had in respect of the supply of this commodity, three periods to distinguish, 1914-1916, 1916-1919, and 1919-1921.

*First period: semiofficial intervention.* Until the 2nd March 1916 the general trade in sugar remained free, and if the Government was

<sup>7</sup> See above, pages 199 *et seq.*



not indifferent to the course of sugar prices, its intervention retained a semiofficial character. This took a double form: on the one hand, of purchases on the foreign markets during 1915 of quantities greater than the armies required, thus permitting a portion to be made over to the trade at approximately cost price; on the other, of pressure brought to bear on the growers of sugar-beet and on the refiners in order to induce them to accept suitable prices for the raw material and the finished product, respectively.

A special commission was appointed in 1915 to study the cultivation of sugar-beet and the measures that should be taken to encourage farmers to extend it, and also to calculate, on the basis of the various factors in the cost of production, the price that the grower might fairly ask. It investigated likewise the conditions of sugar manufacture and determined the price at which it ought to be sold at the refinery.

Its conclusions were that sugar-beet of the 1916-1917 crop of 7.5° density should be priced at 47 francs the ton; and that on this basis refiners should undertake not to sell sugar at more than 75 francs the quintal (220 lb.).

These conclusions were approved by the Ministers of Agriculture and Commerce, and prefects were instructed by a circular of the 6th February 1916 to endeavor to induce farmers and refiners to make contracts on the above basis. This semiofficial action gave satisfactory results; the model form of contract annexed to the circular was widely adopted, and defined the relations between growers and refiners for the three ensuing crops; it undoubtedly had a moderating influence on the course of sugar prices.

*Second period: control of sugar prices.* It became apparent early in 1916 that more energetic steps were necessary. The semiofficial measures above described were not given up; as already stated, growers and refiners were encouraged to pass contracts for the season of 1917-1918 and for that of 1918-1919. The essential clauses of these contracts were similar to those of the 1916-1917 season, but in view of the general rise of all prices, the price of the ton of sugar-beet was raised first to 55, and then to 78 francs.

But alongside of this semiofficial intervention, measures were taken of a direct and vigorous character. We have already seen<sup>s</sup>

<sup>s</sup> Above, page 201.



that on the 2nd March 1916 the Government forbade the importation of foreign sugar by the trade, and in the following May decided to take over the whole crop of home-grown sugar. The next step was naturally to fix the price of sugar, especially with a view to equalizing the prices of sugars of different origins; and this the law of the 20th April 1916 empowered the Government to do. From 1916 to 1919 successive decrees fixed the sale price, constantly adjusting it to the cost price, which, under the influence of the economic position and of the course of the war, was steadily rising. It would be tedious to examine these in detail; their terms are the same, only the prices vary.

*Third period: decontrol.* The decree of the 6th June 1919 repealed the prohibition of the import of foreign sugar, but did not restore entire liberty to the sugar trade. The Food Department held a large stock of sugar; it was decided that, as a transitional measure, this should be distributed for private consumption. This transitional régime lasted until the 31st January 1921. Under it two kinds of sugar were sold: foreign sugar freely imported by the trade, and the sugar of the Food Department; the price of the latter was controlled, the price of the former was not. This dual system produced satisfactory results, for the price of the Food Department's sugar, calculated on the basis of all the factors that ought properly to determine it, had, by the normal effect of competition, a regulating effect on that of the trade's sugar, and little by little the two were brought to a level. Five further decrees fixed during this period the price of the Food Department's sugar; the last, dated the 31st January 1921, marked the final term of the State's intervention in the sugar trade.

If, in endeavoring to appreciate the results of their intervention, we confined ourselves to a superficial view of the successive decrees, we might be led to think that it had not succeeded in checking the rise of prices, favorable though the conditions were in which that intervention took place; comparing the tariff fixed by the decree of the 16th June 1916 with that fixed by the decree of the 26th June 1920, we should no doubt be tempted to say that the decrees had merely followed and confirmed the price current. There is certainly a notable difference between the two tariffs:

	<i>Decree of 1916, the 100 kilos frs.</i>	<i>Decree of 1920 the 100 kilos frs.</i>
Refined sugar, in lumps	131	290
Sugar in loaf	127.50	286.50
Crystallized or granulated	119	270

But what this table really shows is that between 1916 and 1920 the rise in the price which the consumer had to pay for sugar was limited on the average to little more than 100 per cent; this is no inconsiderable achievement, for it is to be remembered that in the third quarter of 1920 the general food index reached the figure of 358.

It must in our opinion be admitted that the policy followed by the Government in the matter of sugar prices attained its object so far as this was possible. We think, moreover, that this result is to be attributed less to the régime of price control than to the general system adopted for the purchase and distribution of sugar, a system analogous to that applied to cereals; the results in respect of these two commodities were in harmony, for the causes in operation were the same.

*Control of price of saccharine.* In virtue of the authority granted by the law that permitted the employment of saccharine and similar artificial sweetening substances in the manufacture of certain articles of diet (see above, page 222), the decree of the 8th May 1917 conferred on the Minister of Food the power of fixing the maximum price of these substances. The maximum price of saccharine was fixed at 30 frs. the 100 grams (3½ oz.) for quantities of 5 kilos and more, and slightly more for smaller quantities; this comprised excise (20 frs. per 100 grams) and a duty of 2 frs. per 100 grams paid by the manufacturers to cover the cost of administrative control. The price of saccharine in tablets or solution was not to exceed the above by more than 3 per cent.

This tariff had to be raised after the promulgation of the Finance Law of 29th June 1918, which increased the excise on saccharine by 60 per cent. The maximum price for large quantities was fixed at 42 francs the 100 grams, and that of 5 grams of saccharine in tablets or solution at 2 frs. 60. The above were wholesale prices; the retail prices were determined by prefectoral *arrêté*.

This system of price control was maintained by the circular of

the 15th March 1919, which allowed the free sale of saccharine, and prevailed until the 23rd October 1922.

*5. Control of the Price of Milk, Milk Products, and Eggs.*

*Successive controlled prices of fresh milk.* The laws of the 20th April and 30th October 1916 empowered the Government to control the prices of milk and milk products (butter and cheese). In respect of fresh milk, two systems were successively adopted: fixed prices from 1916 to 1918; maximum prices from 1918 to 1919.

Prefects were instructed by the circular of the 4th November 1916 to fix the sale price of milk as soon as it should appear that the trade was making excessive profits; the price was to be based on cost of production, with due regard to the increased expenses of producers and dairymen. Prefects were further notified, for their guidance, in February 1917 that the sale price of milk had been fixed in Paris at 50 centimes the liter ( $1\frac{3}{4}$  pints), plus 10 centimes for delivery.

In most departments the prefects felt themselves called upon to give effect to this instruction and issued *arrêtés* fixing the price of milk. The results were not happy. The control had the same result in respect of milk as of other commodities to which it was applied: in the producing regions where under the free play of demand and supply prices might have remained below the control price, they established themselves at that price; in the other districts, where the control price appeared inadequate, milk became scarce on the markets.

In these circumstances the Food Minister thought it advisable not to persevere with the experiment, and in the spring of 1917, when favorable weather conditions were bringing about a rapid increase in supply, he ordered the prefects, by circular of the 14th May, immediately to withdraw the control.

The sale of milk remained free until August 1918, and it does not appear that, at any rate at first, the consumer suffered in consequence.<sup>9</sup> Then, however, as we have seen,<sup>10</sup> the question of milk supply once more became acute owing to the great development of

<sup>9</sup> During this period the price of milk only rose from 50 to 60 or 70 centimes.

<sup>10</sup> See above, page 236.

the cheese industry. The cheese manufacturers, in view of the large profits of their industry, did not hesitate to offer to milk producers prices certainly in excess of the normal value of milk. Just as it had to intervene to limit the extent of the cheese-makers' purchases, so had the Government to take measures to check the rise of price that these purchases occasioned.

In the decree of the 29th August 1918, the system of fixed prices was abandoned in favor of the less rigid system of maximum prices: from the 15th September 1918 maximum prices payable by the consumer for milk and milk products were to be established in every department by prefectoral *arrêté*; these prices might vary with the locality, and would necessarily depend on the cost of production of fresh milk. It followed that, although the price or even the maximum price payable to the producer was not fixed, such a maximum price had to be taken as a basis of calculation. Accordingly, in determining the maximum sale price of milk, the average price of pure milk payable to the producer must, it was provided, be taken at not more than 37.5 centimes the liter; within this limit the basic price was to vary with the quality, the season, and local circumstances.

A circular of the 2nd September 1918 defined the conditions under which the above decree was to be applied. After insisting that the basic price of 37.5 centimes was to be a maximum rarely attained in practice (average price 35 centimes), it explained that the sale price was to be arrived at by adding to the above, 2 to 5 centimes for sterilization if necessary, 5 to 15 centimes for cost of collection and delivery and for profit, and a variable amount for transport by rail. The maximum sale price of milk would thus vary between 60 centimes and 70 centimes the liter.

This rather complicated system was applied until 1919. It certainly checked the threatened rise in the price of milk, but being enforced too uniformly in all departments, it had the effect of immobilizing the price everywhere at the maximum.

Early in 1919 the Under Secretary of State for Food set about restoring the freedom of the milk trade, and, in accordance with his general policy, endeavored to affect the price of the commodity through competition. Two preparatory measures were taken to begin with: freedom of import of milk and milk products was re-established by decree of 20th January 1919, and the stocks of con-



condensed milk held by the Food Department were placed at the disposal of consumers. Then came the decree of the 22nd March 1919 which brought to an end the Government's control of the price of fresh milk.

*Control of price of condensed milk.* The consumption of condensed milk increased largely in 1918, at the time of the dearth of fresh milk; and its price was controlled by the decree of the 6th November 1918, which established a tariff of wholesale and retail prices. This control was abolished, like that of fresh milk, by the decree of the 22nd March 1919. From then until the exhaustion of its stocks, the price at which the Food Department sold condensed milk regulated the prices asked by the trade.

*Control of prices of butter, cheese, and margarine.* Here, as in respect of fresh milk, two systems were successively adopted: fixed prices from 1916 to 1918, maximum prices from 1918 to 1919. A circular of the 4th November 1916 first instructed prefects to examine with all speed, with the help of their consultative committees, the question of fixed prices for butter and cheese. Then, by circular of the 3rd February 1917, the Food Minister decided to control these throughout France. Prices were to be fixed in each department by prefectural *arrêté* and to be calculated on cost of production *plus* cost of transport and the reasonable profit of the middleman. The prefects were instructed to seek inspiration in a type tariff supplied to them: this divided France into four producing regions for the purpose of butter prices, and laid down for each the wholesale and retail prices of butter of different qualities, varying from 4 francs to 5 frs. 40 the kilo wholesale, with additions of 30 to 50 centimes the kilo retail. Prices in Paris were fixed on the basis of the above wholesale prices, with an addition of 50 centimes for transport and 70 centimes for profit of retailers; in other consuming departments the wholesale prices in the producing departments were increased by allowances for transport, *octroi* duty, brokerage and commission, and middlemen's profit.

In respect of cheese, the type tariff was drawn up on the basis of the different kinds, Gruyère, Camembert, and so forth; it fixed the prices payable for each kind according to quality, and allowed additions to be made in respect of transport, *octroi*, and the reasonable profit of middlemen and retailers.

The price control for butter and cheese was to come into force on the 12th February 1917 (for Gruyère cheese on the 1st April). Its results were most disappointing, as the Food Minister recognized, in the significant terms of his circular of the 30th April 1917.<sup>11</sup> The introduction of price control led to a great diminution of supplies of butter and cheese on the principal public markets; the quantities of butter, for instance, arriving daily at the central Paris market fell from 29,000 to 8000 kilos. On the other hand, clandestine sales increased to an equal extent; so that the fixed prices may be said to have been practically inoperative. The Minister accordingly instructed prefects to immediately cancel their *arrêtés* controlling the price of butter, and a fortnight later he issued similar instructions in regard to cheese.

When in 1918 the Food Minister thought it necessary, for the reason already explained, to attempt once more to regulate the price of fresh milk, it appeared natural to extend the control to butter and cheese. The decree of the 29th August accordingly ordered the institution of maximum prices for these commodities, and a circular of the 2nd September explained how this was to be done. Assuming, for example, that the cream of 21 liters of milk was required to make one kilo of butter of the quality produced in a particular region, the cost of the butter worked out at 8 francs, and the maximum price payable by the consumer at 9 frs. 40 to 9 frs. 80. Similar calculations were made in respect of different varieties of cheese.

This system of maximum prices was maintained until 1919 and abolished by the decree of the 22nd March of that year.

*Margarine.* There was no general control of the trade in margarine. Prefects were merely authorized to fix its price, if they should think it necessary, on the basis of the law of the 20th April 1916. It may be remarked, as an example, that the retail price of this substitute foodstuff was fixed in Paris by an Order of the Prefect of Police of the 28th April 1917 at 4 frs. 20 the kilo for margarine of first quality and 3 frs. 80 for cooking margarine.

*Control of the price of eggs.* Until 1918 the Food Minister did not interfere with the trade in eggs, and their price was fixed by the

<sup>11</sup> The principal portions of this circular are given at page 98 of the work forming the first part of this volume, *French Agriculture during the War*.

ordinary process of supply and demand. Moreover, the law of 1916 did not include eggs among the articles whose price might be controlled, so that any regulation on the subject would have been illegal. But such control was authorized by the law of 10th February 1918 and decreed on the 13th July of that year. By that time the system of fixed prices had lost most of its supporters and that of maximum prices was accordingly adopted to check the persistent and apparently excessive rise. The decree empowered the Food Minister to fix the maximum price payable to the producer, and the prefects to fix the maximum wholesale and retail prices. The maximum price to the producer was fixed at 300 francs the 1000, or 3 frs. 60 the dozen, and 5 frs. 50 the kilo.

This régime was abolished by the decree of the 22nd March 1919, which restored freedom of trade in eggs.

#### *6. Control of Price of Oil-seeds and Oils.*

The steps taken in 1917 to regulate the country's supply of oil-seeds, edible oils, and fats<sup>12</sup> had to be supplemented in 1918 by measures of price control. For a rise in the price of oils occurred in the early months of that year which was not warranted by the situation of the market and the difficulties of import; and the speculation that was evidently in progress had to be stopped. Oils, for instance, whose cost price did not exceed 400 or 420 francs the quintal were currently resold at 600 or 700 francs, and the liter of olive oil was sold retail at 12 to 15 francs.

Maximum prices were accordingly laid down by decrees of June and October, and finally by that of 30th November 1918, for oil-seeds, oils, fats, and oil-cakes. This last decree, which calls for no special comment, remained in force and was very generally observed until early in 1919.

At that time the gradual return to more normal economic conditions and the revival of sea transport made it possible to release the trade in oils and fats. The control was abolished in respect of olive oil, and colza seed and oil, on the 4th February 1919, and of other oils, oil-seeds, and oil-cakes on the 11th March 1919.

<sup>12</sup> See above, page 214.



*7. Control of the Price of Potatoes and Dried Vegetables.*

From the moment of the promulgation of the law of the 20th April 1916, the Government took up the question of checking the too rapid and too pronounced rise in the price of potatoes. In presence of the growing cost of all commodities, notably of meat and fresh vegetables, there was an obvious need of keeping the principal substitute foodstuffs within the reach of all consumers.

Here again, as in respect of milk and milk products, two systems were successively adopted: first fixed prices; then from September 1917 maximum prices; in 1918 the two systems were even combined.

The general circular regarding the application of the law of 1916 instructed prefects to fix the prices of potatoes and haricot beans, and prefectural *arrêtés* for the purpose were issued in all departments. Once more the results were entirely disappointing. It had been overlooked that, to meet military requirements, the Commissariat had constantly to make large purchases of potatoes, which it effected summarily for cash; at the outset the prices fixed by the prefects were lower than those offered by the Commissariat, with the consequence that potatoes immediately disappeared from the markets in which the civil population obtained its supplies. An attempt was made to meet this difficulty by instructing prefects to issue fresh *arrêtés*, fixing the prices at the same figures as those paid for Army supplies. But when prices had been equalized, the precious vegetable became scarcer and scarcer, and it became necessary repeatedly to raise both the fixed price and the Commissariat's cash price.

Finally it had to be recognized that the control only resulted in confirming successive increases in the price, and prefects were directed on the 6th April 1917 to cancel at once their fixed prices. Nevertheless, notice was to be given to the judicial authorities should there be evidence of illicit speculation or unreasonable prices.

The question was reopened in September, and the system of maximum prices applied to the 1917 crop of potatoes and to haricot beans. The *arrêté* of the 3rd September 1917 laid it down that the Food Minister would determine for each region the wholesale price above which no transaction in these articles would be permissible, after hearing the opinion of departmental committees presided over by the prefect and comprising the director of agricultural services,



three dealers, and three representatives of agricultural societies. Prices would be revised every two months.

In order to enforce these provisions, every consignment of more than 300 kilos (660 lb.) of these vegetables was to be accompanied by a certificate from the mayor to the effect that the consignor had affirmed to him that the sale had been effected at not more than the fixed price; no proof being admissible that such affirmation was incorrect, anyone selling retail on the basis of a wholesale price greater than the fixed price would be prosecuted for speculation. These provisions reveal, if one may be allowed the remark, a somewhat guileless frame of mind in their authors.

The maximum wholesale prices for potatoes and haricots were fixed by *arrêté* of the 29th October 1917, which also limited the profit of the wholesale dealer and retailer.

For the crop of 1918, the above sanctions were strengthened by being made the subject of a decree instead of an *arrêté*, but the general principles of the control were not altered, except that alongside of the maximum price system for the wholesale trade in potatoes, the system of fixed prices to be determined by the prefects was instituted for the retail trade. As regards haricots and peas, however, the retail price was merely limited to 15 per cent above the price actually paid to the producer or wholesale dealer.

This system of control was maintained until free dealing in potatoes and dried vegetables was restored by decrees of 4th January and 12th February 1919.

#### 8. *Control of the Price of Beer.*

The law of the 20th April 1916 did not authorize the control of the price of beverages (except in the Army zone, where the Generals Commanding were given certain powers). But as regards beer, the control to which the brewing industry was subjected, as a result of the general régime applied to cereals, allowed the Food Minister to fix its maximum sale price. This intervention was doubly justified: the raw materials for the manufacture of beer, as we have already seen,<sup>13</sup> were supplied to the breweries exclusively by the Food Department; and beer is the usual drink of the population of Northern France and is therefore for them an essential article of diet.

<sup>13</sup> See above, page 225.

Until 1918 maximum wholesale prices of malt and beer were simply fixed by ministerial *arrêté*. In 1918 these were 68 francs the hectoliter (22 gallons) for beer of 5° and 40 francs for beer of 2° gravity.<sup>14</sup> In 1918 the price was 1 fr. 40 per tenth of a degree of original gravity, and the manufacture of beer of a higher gravity than 4° was prohibited.

These *arrêtés* applied only to wholesale prices and provided no penalties, except that any person contravening them was declared liable to be debarred from further supplies of cereals and to have his stocks requisitioned.

After the adoption of the law of the 10th February 1918, it was thought expedient to give greater force to the above regulations by making infractions punishable under that law. The existing system was in other respects maintained, except that the tariffs were from time to time modified. In their final form the prices were fixed as follows:

For supplies of barley	75 francs the quintal
Malt (at the malt-house)	137 francs the quintal
Beer—2° gravity	50 francs the hectoliter
3° gravity	69 francs the hectoliter
4° gravity	80 francs the hectoliter

The decree of the 30th May 1919, which, as we have seen,<sup>15</sup> restored by stages the liberty of the brewing industry, abolished the restrictions on the price of beer from the 5th June, and on the price of malt from the 1st August of that year.

#### 9. Control of the Price of Farinaceous Pastes, Tapioca, and Rice.

The measures taken to regulate the manufacture and consumption of farinaceous pastes, tapioca, and rice<sup>16</sup> naturally involved the control of their sale price. This control was of a particularly minute character, and applied to the wholesale, semi-wholesale, and retail trade.

*Farinaceous pastes.* An *arrêté* of the 21st August 1917 laid down a general tariff in which were detailed the price payable by manufacturers of farinaceous pastes for the semolina delivered to

<sup>14</sup> See footnote on page 226.

<sup>15</sup> See above, page 228.

<sup>16</sup> See above, page 233.

them, the charge for manufacture, and the wholesale price of pastes, together with the maximum profit of retailers. Upon this basis prefects were empowered to fix the retail price, allowing for cost of transport and the normal profit of retailers. We have here, therefore, a combination of the systems of maximum and of fixed prices.

The decree of the 18th June 1918 intensified the control, requiring manufacturers to place the whole of their output at the disposal of the Food Department for distribution. An *arrêté* of the 20th June determined the prices (from 185 to 220 francs per 100 kilos according to the size of consignments) at which the commodity would be supplied by the department, and instructed the prefects to fix its retail price when sold by the trade.

The above rates were subsequently reduced by 10 francs the 100 kilos, and the maximum retail price fixed at 2 francs the kilo.

The decree of the 4th January 1919 removed the control on the price of farinaceous pastes. But as, in the course of 1920, it was observed that the sale prices of this commodity were reaching figures out of proportion with those at which the Food Department was supplying flour and semolina to the manufacturers, the trade was again subjected to the system of maximum prices (14th December 1920). The prices were fixed rather high, 3 frs. 45 to 4 francs, for instance, the kilo retail. But this fresh experiment in price control only lasted for a few months, and was brought to an end by the decree of the 28th May 1921.

*Tapioca and rice.* The decree of the 18th June 1918 provided that tapioca should only be sold retail in packets of 250 grams ( $\frac{1}{4}$  lb.) at a maximum price of 1 fr. 55 the packet.

As regards rice, the decree of the 19th October 1918 laid down a tariff of fixed prices payable to the importer, to the wholesale dealer, and to the retailer:

To the importer	160 francs the 100 kilos
Wholesale	173 francs the 100 kilos
Retail	2 francs the kilo

This control was abolished by decree of the 4th January 1919.

#### 10. *Control of Price of Chocolate.*

The rise that took place during the war, and notably from 1917 onwards, in the price of sugar and cocoa, threatened to carry to a

prohibitive level the price of ordinary chocolate, an essential food-stuff by reason of its nutritive properties. The Food Minister accordingly stepped in more than once to fix the maximum wholesale and retail prices. The *arrêtés* issued in 1917 and 1918 for this purpose merely laid down a tariff and call for no comment. They were repealed by the decree of the 22nd March 1919.

### 11. *Control of Prices in Restaurants, etc.*

The reasons that determined the control of consumption in hotels, restaurants, and similar establishments<sup>17</sup> induced the Food Minister, as soon as he was empowered to do so, to give attention to the prices current in those places. There was evidence of abuses and, particularly in expensive restaurants and hotels, of exaggerated charges of which the client was given no previous warning. Moreover, and this was specially important, the freedom that the managers of these establishments enjoyed in drawing up their tariffs enabled them to purchase their supplies at whatever price was asked, thereby undoubtedly contributing to raise the market price of most commodities. Government interference was therefore justified and was effected by decrees of the 30th June and 24th September 1918.

A system of fixed prices was evidently inapplicable to hotels and restaurants; but the Food Minister was desirous, first, that the consumer should have previous knowledge, in every hotel and restaurant, of the cost of the meal he might order; and secondly, that, even in what were classed as expensive establishments, he should be able to procure a suitable meal at a reasonable price. The decrees of 1918 prescribed measures corresponding to this twofold policy.

*The bill of fare.* In communes of not less than 3000 inhabitants keepers of hotels, restaurants, and similar establishments were required to post up very prominently, both inside and outside their premises, the prices of meals and refreshments.

As regards establishments serving meals *à la carte*, a bill of fare was to be placed on every table showing the price of each item, and of ordinary wine, beer, mineral waters, and coffee, as well as the charge for table-money.

*The 20-franc meal.* The decree of the 12th February 1918 had defined the 'type-meal';<sup>18</sup> it was this meal that the decree of the 24th

<sup>17</sup> See above, page 239.

<sup>18</sup> See above, page 240.



September 1918 endeavored to secure at a maximum price to every consumer, even in expensive establishments. To this end it laid down that in establishments classed as 'expensive' the bill of fare should be drawn up in such a way as to permit the consumer to obtain for 20 francs (including table-money, bread, ordinary wine, beer or mineral water, and coffee) a meal comprising soup, *hors-d'œuvre* or oysters, dessert, and two dishes with or without vegetables, one of which should be of meat.

It does not appear that these regulations produced appreciable results, and the curve of prices, doubtless partly owing to the fault of the consumers themselves, constantly rose until 1921, at any rate in the big restaurants.

The 20-franc meal was abolished by decree of the 4th January 1919. As regards the posting up of prices, though it was never formally repealed, it would appear that the obligation came to an end on the 1st August 1921, when the law of 10th February 1918, on which it was based, ceased to be operative.

## CHAPTER XVI

### REPRESSIVE CONTROL

ADMINISTRATIVE regulations, especially when the measures they prescribe run counter to general and established usage, have little practical value unless enforced by sanctions, and above all by penalties.

Curiously enough, until 1918 the majority of the measures taken by the Food Minister to regulate the production and consumption of foodstuffs were totally devoid of sanctions of this kind, and this because they took the form of decrees, or even frequently of simple *arrêtés*, having no basis in law: '*nulla pœna sine lege*.'

This deficiency was gradually made good: first as regards the control of the price of flour, by the law of the 16th October 1915, then by that of the 20th April 1916 as regards other foodstuffs, and finally by the law of the 10th February 1918 as regards the various measures of control authorized thereby.

On the other hand, in a neighboring sphere—the campaign against the high cost of living—a new and complete system of penal legislation, directed to the repression of 'illicit speculation,' was elaborated from 1916 onwards, which occasioned a singular development of jurisprudence.

We remarked, when dealing with the provisions of the law of 1916 on the control of prices,<sup>1</sup> that at the time when this law was passed, the Government, and with it the great bulk of public opinion, attributed the rise of prices to the operations of greedy and unscrupulous profiteers. There was a keen and almost unanimous demand for a vigorous repression of such operations, but it was often put forward without sufficient deliberation, and the complex factors of a particularly delicate problem were not always weighed with the impartiality and understanding that they demanded.

A thorough study of the legislation and jurisprudence on this subject would fall outside the purpose of this work. We will confine ourselves to the broad outlines of the legislation, to a few examples

<sup>1</sup> See above, page 249.

of its interpretation and application by the Courts, and to an indication of the objections to which these were open.

1. *Repression of Breaches of the Control Regulations.*

*Nonobservance of fixed prices.* After authorizing the Government to fix the price of flour and prohibiting millers from manufacturing flour of other than a specified quality, the law of the 16th October 1915 proceeded to prescribe the following penalties for nonobservance of its provisions: the Court might, besides inflicting the penalties laid down in Articles 479, 480, and 482 of the Penal Code, require that its judgment should be posted up and advertised in newspapers at the cost of the offender, not exceeding 500 francs. This was a very moderate form of repression; for the penalties provided by the Articles in question of the Penal Code are such as are applicable to mere contraventions, a fine of 11 to 15 francs, or in case of a second offense or aggravating circumstances, imprisonment for not more than five days.

The law of the 20th April 1916 extended these penalties to all breaches of decrees or prefectoral *arrêtés* dealing with the control of prices.

*Breaches of regulations.* Breaches of regulations authorized by the law of the 10th February 1918 were visited with severer penalties by that law; these were made misdemeanors, punishable accordingly. The penalties provided were a fine of 16 to 2000 francs and six days' to two months' imprisonment, or one or other of these. The Court might order in addition the posting up and advertisement of the judgment at the cost of the offender not exceeding 500 francs. In the event of a second offense the fine was raised to 2000-6000 francs, the imprisonment was increased to not less than two months or more than one year, and the limit of the cost of advertisement to 1000 francs.

Moreover these penalties might be supplemented by an administrative sanction: as soon as the prosecution was started, the commodities which were the occasion thereof might be requisitioned.

All the above sanctions were made applicable in future to breaches of earlier decrees, in particular to those relating to the consumption of bread, the requisition of cereals, and the manufacture of flour;

and to those concerning the cereal monopoly and the consumption of petrol.

It should be observed, and the fact is creditable to all concerned, that prosecutions were relatively rare; everyone was led by a patriotic feeling of self-sacrifice to observe of his own free will most of the decrees and *arrêtés* issued under the law of 1918, for the public appreciated the considerations of general interest that had dictated them. Only the fixed prices were frequently transgressed, for their artificial character was soon recognized; in fact, breaches were so general that the attempt to prosecute offenders had often to be abandoned.

## *2. Illicit Speculation.*

*Article 10 of the law of the 20th April 1916.* The only really effective protection of the consumer against the producer, and more especially against the middleman, is to be found in the free operation of the law of supply and demand. It is nevertheless true that, at all times, dealers and business men, in the pursuit of their own interests, have endeavored to influence prices and to thwart the effect of this law, by operations of a varied but always momentary character, such as combines, cartels, trusts, and corners. At all times likewise and in all countries, the legislature has endeavored to repress such operations. They were dealt with—and are so still—by Article 419 of the French Penal Code, which provides that ‘Any person who by spreading false or calumnious reports, by offering more than the price asked for a commodity, by combination among the principal holders of a commodity, . . . or by any fraudulent means shall have effected a rise or fall in the price of commodities or securities above or below the price that natural and free commercial competition would have determined, shall be liable to imprisonment for one month at least and one year at most and to a fine of 500 to 10,000 francs.’<sup>2</sup> General as the above terms may appear, the article applies only subject to certain conditions, which French jurisprudence has defined. In particular it has constantly been decided that where an apparently artificial rise or fall in prices occurs, proceedings can only be taken if it is proved that this rise

<sup>2</sup> The penalties are increased by Art. 420, where the culpable operations relate to grain, flour, bread, wine, or other beverage.



or fall has been effected by fraudulent means, or by a combination between the principal holders of a commodity resulting in a corner in that commodity. Further, the article punishes only the offense, not the attempt to commit it.

When, towards the end of 1915, the first considerable rise of prices occurred, the idea spread among a public ill-informed on economic questions that the rise was artificial. Recalling the examples offered by history, remembering the scandalous fortunes accumulated in previous wars, it suspected deliberate schemes and concerted operations, and became indignant at the profits that some people appeared to be making. The profiteer was denounced as the author of the consumer's woes, and the Parliament was enjoined to place in the hands of Government a new and effective weapon against him.

This weapon was supplied by Art. 10 of the law of the 20th April 1916; it made liable to a fine of 1000 to 20,000 francs and to imprisonment of two months to two years any person who during the period of hostilities and three months after their termination, either personally or as director of a company should, even without the use of fraud but 'for the purpose of illicit speculation, that is to say speculation not justified by the necessity of securing supplies or by legitimate commercial foresight, have brought about or attempted to bring about a rise of prices above the rate that free and natural competition would have determined.'

At the expiration of the period of validity of these provisions, that is to say, at the end of three months from the termination of hostilities, the economic situation was such that it was thought necessary not only to maintain them in force but to strengthen them. This was done by the law of the 23rd October 1919. The validity of Art. 10 of the law of 1916 was extended for three years with these modifications. The penalty was to be imprisonment for two months to two years and a fine of 500 to 50,000 francs. This might be increased to imprisonment of one to three years and a fine of 1000 to 100,000 francs if the rise of price had been effected or attempted in respect of articles of food or drink, combustibles, fertilizers, clothing, or footwear; and to five years' imprisonment and a fine of 200,000 francs where the commodity in question did not fall within the ordinary business of the offender. In any case, the fine

might be raised to twice the amount of the illicit profit. The Court was to order the posting and advertisement of the judgment. The Court might further sentence the offender to deprivation of civil and political rights, and, for a second offense, order the temporary or permanent closing or the sale of his business; it might also prohibit him from residing in France for a period up to ten years.

Until 1919 the duty of enforcing the above provisions was entrusted to the Service for the Prevention of Frauds, set up in pursuance of the law of the 1st August 1905, and to the various organs whose business it was in a general way to see to the application of penal laws. But in 1919 under the pressure of a public opinion disappointed in the hopes it had based on the armistice, Government deemed it expedient to emphasize and stimulate this form of control. Accordingly a special service for the repression of speculation was established by *arrêté* of the 15th July 1919 in the Food Department, under the direction of M. Henry Roy, deputy of the Loiret. It was authorized to investigate speculative transactions in regard to agricultural produce, fertilizers, foodstuffs, and beverages, and also, subject to agreement with the Ministries concerned, to combustibles, other articles of prime necessity, rents, and means of transport. It might inquire into exaggerated prices, excessive stocks, and other operations connected with the high cost of living. Its reports were to be communicated to the judicial authorities with a view to proceedings. It had, besides a central staff, a mobile personnel of eight commissioners and ten inspectors.

This service showed great activity; whereas until 1919 the repression of speculation was practically inoperative, in the second half of that year more than 6000 cases of speculation or breach of the food regulations were reported to the judicial authorities.

But if we look for the result of these measures on the cost of living, we are driven to admit, on impartial consideration, that repression failed of its purpose. No doubt some specially crying abuses were checked, a few profiteers were prosecuted and even sentenced, but how many escaped! On the other hand, the action taken to enforce the laws of 1916 and 1919 certainly contributed to confirm and even aggravate the rise of prices.

This, in our opinion, was due to two principal causes. In the first place, the terms of Art. 10 of the law of 1916 were not sufficiently

precise. What, indeed, constituted the 'illicit speculation' that, even in the absence of fraud, it was designed to repress? Such speculation as was 'not justified by the necessity of securing supplies or by legitimate commercial foresight.' This was not a legal definition, but one that involved an appreciation of facts, an appreciation of a particularly delicate character, for it required a familiarity both with general economic data and with those specially relating to each branch of commerce and industry, a familiarity that magistrates might well be excused for not possessing.

In the second place, and this cause is connected with the preceding one, the jurisprudence that was elaborated about the article in question gave it a scope and consequences that appear not to have been within the intention of the legislator. Not finding in the text a sufficiently precise definition, the Courts little by little developed from it a new offense, quite different from that originally intended: the realization of excessive profit. A decision of the Court of Cassation formally confirmed this interpretation, and the Ministry of Justice issued to Public Prosecutors instructions in conformity. Although its circular enjoined caution in their application, the mischief was done. It was singularly dangerous to admit that a man might be prosecuted and condemned because he had secured what appeared to be an excessive profit. It involved a threat to all commerce, which was all the graver that it was vague, and of a kind such as the most honest traders were often the least in a position to meet.

As a result, prosecutions repeatedly failed, the proceedings being swamped in interminable expert inquiries; while those who sought in the economic troubles of the time an occasion for getting rich quickly did not hesitate, as a means of insurance, so to speak, against the fines to which they were exposed, to raise their prices even higher.

In this way the form taken by repressive control served, as we have said, to aggravate the sufferings caused by the high cost of living.

*Direct requisition.* To the increased penalties for illicit speculation the law of the 23rd October 1919 added the administrative sanction of direct requisition. On the initiation of proceedings the Government was empowered to order the requisition of the com-

modities that formed the basis of the prosecution. The decree of the 14th February 1920, which laid down the manner in which such requisitions should be effected, adopted the procedure prescribed by the Civil Code in respect of distraint; perishable commodities might immediately be sold by auction or handed over at an agreed price to public institutions; nonperishable commodities might be thus disposed of only after a decision by the Court, unless urgently required for purposes of supply. The proceeds of the sale were to be deposited with the Court, pending the conclusion of the proceedings.

Like the law of the 23rd October 1919 on which it was based, this decree ceased to be operative on the 23rd October 1922.



## CHAPTER XVII

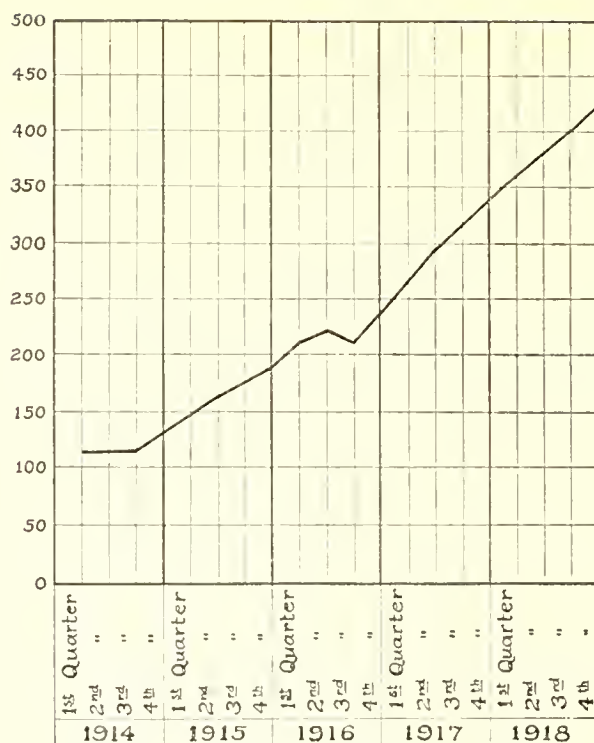
### THE POLICY OF THE APPLICATION OF ECONOMIC LAWS

#### 1. *The Situation early in 1919.*

ON the 11th November 1918, Marshal Foch, Commander-in-Chief of the Allied Forces, signed in the forest of Compiègne the armistice that was to terminate an unexampled war. The nations that for four years had been involved in the terrible struggle vied with one another in celebrating the great event; a wave of optimism spread, and no one on the Allied side doubted that the peace would be as fruitful as it had been glorious, that normal conditions of life would be immediately restored, and that prices would spontaneously return to approximately the level of 1914. It was thought in France that a period of unheard-of prosperity was about to open. As for the cost of the war, the debts incurred, the devastated regions—Germany would pay. The disturbance of the economic equilibrium would disappear with the crisis that had occasioned it.

It is hardly necessary to recall to-day how completely these splendid hopes were disappointed. November and December passed, 1919 began, without any improvement in the economic situation. The rise in the price of foodstuffs, with which in particular we are here concerned, so far from abating, actually became more acute. Indeed, it may be said that early in 1919 there were no stable and uniform commercial prices, and that it was impossible for the consumer to form an idea of the real value of commodities. With the market thus profoundly disturbed and moreover inadequately supplied, every form of speculation had free scope and contributed to aggravate the general distress.

In order to give a concrete idea of the situation we give below the curve of wholesale prices from 1914 to 1919, and a comparison of the cost of living for a family of three persons in the first quarter of 1914 and at the beginning of 1919.



MOVEMENT OF WHOLESALE PRICES FROM  
1914 TO 1918

*Cost of living in 1914 and at the beginning of 1919.*

Category	Percentage of total	1st Quarter of 1914	Beginning of 1919
Food	60	100	260
Heating and lighting	5	100	164
Clothes and boots	15	100	296
Rent	12	100	296
Miscellaneous	8	100	228
General index	100	100	238

These tables reveal the gravity of the situation; it was all the greater that the population was becoming increasingly refractory to the restrictions and regulations that it had put up with during the war, and was simultaneously demanding freedom from control and a fall in prices.

In this conjuncture M. Vilgrain, the Under Secretary of State

for Food, who for two years had almost exclusively devoted himself to securing the regular supply of articles of prime necessity, proposed to the Government a new method of attacking the problem, based on a careful study of the situation and its real causes.

What were these real causes? They were evidently related to the war, but the war alone could not account for the situation as we have seen it. The period of hostilities was a period of crisis, and a crisis is a violent but temporary rupture of equilibrium, so that the signature of the armistice should have brought the economic disturbance to an end—'*deficiente causâ, deficit effectus.*' A more accurate analysis was therefore required, and it was the economic consequences of the war that had to be determined, for these were the direct causes of the rise in prices.

In normal times supply and demand tend to equilibrium; a deficit in supply will bring about a rise of price, but this will be of a temporary character, for it at once stimulates production and restricts consumption, and *vice versa*. During the war this harmonious economic process was thwarted almost from the first: in the belligerent countries the production of most commodities was much reduced, while consumption greatly increased; the commercial relations of these countries with the rest of the world were impeded or completely arrested; and as the law of supply and demand ceased to operate, speculation soon appeared on the scene, and naturally operated for the rise.

As regards the French market in particular, the situation at the beginning of 1919 was due to the combination of five fundamental causes:

- (1) Diminution of output and increase of cost of production.
- (2) Increase of consumption.
- (3) Increase of imports and rise of foreign exchange.
- (4) Difficulty of transport and increase of cost of freight.
- (5) Requisitions and other forms of administrative interference.

(1) *Diminution of output.* We have already seen, in the course of this volume, the effect on agriculture and other industries of the mobilization that during four years deprived them of the youngest and most active part of the population. We have noted the consequences of the occupation by the enemy of almost the whole of ten of France's richest departments. The resulting diminution of output

naturally reacted on cost of production, which increased as labor became scarcer and the material difficulties more numerous and more formidable. The appendices to the first portion of this volume, M. Augé-Laribé's *French Agriculture during the War*, furnish sufficient illustration of this process.

(2) *Increase of consumption.* The diminished production was not compensated by a reduced consumption, at least during the first years of the war. For men when mobilized consume more than they normally do in civil life. In respect of meat, for instance, whereas the average daily consumption before the war was 350 grams ( $12\frac{1}{4}$  oz.) per head for soldiers, and 162 grams ( $5\frac{1}{2}$  oz.) for civilians, the ration of troops at the front was 500 grams ( $17\frac{1}{2}$  oz.) and at the rear 400 grams (14 oz.), which involved an increase of consumption of 273,750 tons, an increase which could only be met by a draft on the national live-stock. And it was the same as regards wine, vegetables, and sugar.

On the other hand, as wages rose with the rise of prices and the consumer's purchasing power appeared to grow with the successive increases in the banknote issue, the civil population displayed a tendency to improvidence, and even to wastefulness, that the restrictive measures set forth in the earlier part of this work could only partially counteract.

(3) *Increase of imports and rise of foreign exchange.* The progressive fall in the national production obliged France, as soon as stocks were exhausted, to have recourse to imports. In this sphere the law of demand and supply was operative, and was operative to France's detriment. Prices naturally rose on foreign markets with the growing number of purchasers, and this rise was aggravated by the falling exchange value of the franc, in itself proportioned to the extent of France's foreign purchases.

(4) *Difficulty of transport and increase of cost of freight.* Moreover, the commodities acquired had to be transported, and the means of land and sea transport were inadequate, and as regards the latter were, from 1916 onwards, impaired in a marked degree by the submarine war. In these conditions the price of freight and rail transport could not but rise, thereby exerting a serious influence on the cost of supplies.

(5) *Requisitions and other forms of administrative intervention.*



Finally, experience has proved that military requisitions and even the measures of control intended to regulate consumption, contributed to raise prices, to an extent that was considerable if difficult to estimate with accuracy. This was a natural consequence, so far as military requisitions were concerned, since the supplies available for the civil population were thereby diminished; it was aggravated moreover by the lack of consideration too frequently shown by the military authorities.

It may, on the other hand, appear paradoxical to maintain that measures of control, and fixed prices in particular, operated to raise prices, seeing that they were designed with precisely the contrary object. And yet the most determined supporters of fixed prices have had to bow to the evidence. We have already set forth some of the economic consequences of fixed prices: where they were imposed, the commodity concerned became scarce; and when a commodity becomes scarce its price inevitably rises.

This effect of an inexorable economic law would not have escaped our fixed-price theorists and we should have been spared two years of futile experiment, had they looked for guidance to the teaching of history; had they remembered the Convention's attempt to establish maximum grain prices, and read again some of the debates of 1793. It was there pointed out that a high maximum price would penalize the people, a low maximum the farmers; that the maximum must either be uniform throughout France, or vary according to localities, and that the former alternative would prevent the circulation of grain, while the latter was impracticable, having regard to the extraordinary variety of agricultural and economic conditions that prevailed in France. Finally, that it would be impossible to force grain on to the market, for nothing was so difficult as to oblige a man to ruin himself.

Lastly we may remind the reader of the consequences that flowed from the interpretation of Article 10 of the law of 20th April 1916, and from the mode of operation of the repressive control.

Such were the true causes of the disturbed state of the market at the beginning of 1919. Their analysis allowed M. Vilgrain to determine the remedy required: he resolutely abandoned all artificial measures of control and dealt with an economic situation by economic methods.

*2. The General Policy.*

The characteristics of a normal market, that is, of a market in a state of economic stability, are the following:

The commodities on that market have a price current that is ascertainable by all consumers; though this price may vary, it will do so only to a limited extent.

This price current is exclusively determined by the operation of supply and demand.

The deficiency or excess of supply as compared with demand is relatively small, and, if it exists, does not manifest itself abruptly.

Competition works, in a free and straightforward manner, for the advantage of the purchaser.

As already pointed out, the market at the beginning of 1919 presented none of these essential characteristics. The object of the policy now adopted was to restore them; its general lines were very simple and were the direct outcome of the object in view.

In the first place, commercial transactions were to be freed from restrictions, and the repressive action of Government to be directed only against operations of an evidently culpable character. Article 10 of the law of 1916 remained in force, but all fixed prices and regulations relating to the sale of commodities were withdrawn during the first quarter of 1919.

In the second place, the play of supply and demand was, so far as the general situation of the country permitted, to be revived; and for this purpose supplies were to be secured proportionate to genuine requirements.

Finally, in order to restore what is understood by a 'price current,' the consumer was to be furnished with the means of ascertaining prices and following their course.

Such were the main lines of the policy; there remained the question of its immediate object and scope. M. Vilgrain recognized the utter futility of attempting to bring prices suddenly back to the level of the 1st August 1914. He saw moreover that the important object, if a healthy economic situation was to be restored, was not to secure that commodities should be sold at a low price, but at a fair price.

M. Vilgrain, further, deliberately decided to limit the scope of his effort. An attempt to bring about a fall in the price of all com-

modities would be doomed to failure; it would have involved a State monopoly of all production, manufacture, and sale. On the other hand, vigorous action concentrated at one point of the economic front promised to be fruitful in consequences; but that point must be selected in such a way that the measures taken should have a gradually widening repercussion. Foodstuffs, from this point of view, offered the most favorable objective, for whereas our other requirements, however imperative, were really intermittent, food was a daily need. And among foodstuffs, the essential articles of diet had to be selected. But the preparation of the list of these offered some difficulty, for foodstuffs that were essential articles of diet in one part of the country were scarcely consumed in another. M. Vilgrain found the solution of the problem in the investigations carried out, in the early years of the war, by the Inter-Allied Scientific Commission. The Commission had estimated at 3300 calories the physiological expenditure of an average man weighing 11 stone and working 8 hours a day. This allowed a type ration to be drawn up as follows:

	<i>Weight in grams</i>	<i>Calories</i>	<i>Fat</i>
Bread	500	1510	4.2
Meat (beef, mutton)	100	269	22.5
Salt meat	50	150	11.2
Lard	40	352	37.6
Bacon	20	120	12
Oil	20	186	20
Potatoes	500	350	0.5
Rice	75	265	2.1
Dried vegetables	75	270	0.8
Sugar	25	102	. .
Condensed milk	25	42.5	2.5
Total		3616.5	113.4

Here were eleven articles of diet to which the Government's efforts could be directed, with results that would inevitably react on other commodities. The type ration had the further advantage of allowing the prices of its various components in other countries to be ascertained and the cost of living in France and abroad to be compared. Thus in February 1919, in order to live in precisely the same

way, where 3 frs. 25 had to be expended in France, only 2 frs. 08 were required in New York and 1 fr. 75 in London.

With its ultimate object and immediate purpose thus defined, the new policy could be put into operation. It proceeded partly by direct methods, those designed gradually to restore equilibrium between supply and demand; partly by indirect methods, those which enabled the consumer to recover the notion of 'current prices' and to follow their movements.

### *3. Direct Methods of Application.*

At the beginning of 1919 the market demand was substantially greater than the supply. Taking advantage of the fact that demobilization was at that moment liberating the bulk of the Commissariat's stocks of provisions and releasing means of transport both by land and sea, M. Vilgrain boldly set up a complete system by which these stocks were made over for public consumption; and further, in conjunction with the Minister of Public Works, he organized a scheme of distribution which allowed of their rapid conveyance, by complete trainloads, that is to say, at a minimum cost, to the centers of consumption.

Direct allocations and facilities of transport were the two fundamental methods adopted to put the new policy in force. They were supplemented, as regards restaurants, by corresponding measures.

*Allocations.* The idea that the Food Department might allocate commodities for the use of the civil population was not a new one; it had been under consideration from the outbreak of war, but only limited action could then be taken, as the majority of the commodities to which the system was applicable were reserved for the armies. Recourse was had at first to the Chambers of Commerce, to whom the Minister of Finance was authorized in 1914 to make advances for the purpose of enabling them to purchase and distribute food-stuffs. But it does not appear that these bodies succeeded, to any appreciable extent, in helping to supply the population.

In 1916 the Government requested and obtained from Parliament authority to take this duty into its own hands. The law of the 20th April 1916 empowered it to provision the civil population by means of purchases or requisitions, and ordered the opening of a special account for recording expenditure and receipts in this connection.



A decree of the 30th June 1916 regulated in detail the procedure to be followed in the purchase and requisition of supplies, their allocation to the communes, and their sale to the public. As this decree formed the basis of the procedure subsequently adopted in 1919, we may summarize it here.

Mayors of communes were authorized to put forward demands for commodities (of specified categories) that local consumers were unable to procure, and the prefect, with the authority of the Minister, was authorized to obtain these by purchase or requisition, or they might be purchased at home or abroad by the Minister. They were then allocated to the communes that had applied for them, who might either sell them in communal shops or hand them over to tradesmen or coöperative societies to sell; in either case the commune would determine the price at which the goods were to be disposed of, based on the price at which it had received them plus cost of transport and any subsidiary expenses.

The above system did not really secure that all consumers were placed in a position to obtain the commodities in question, for comparatively few communes took the initiative of applying for supplies and organizing their distribution. M. Vilgrain perceived from the first that he must widen the scope of the allocations and grant them direct to all distributing agencies that undertook to sell them at the official tariff. Accordingly the right to apply for allocations was given to coöperative societies, to such municipalities as had established food shops of their own, to restaurants, and to individual tradesmen. The allocations were made to all on identical terms, which had been the object of careful study. The goods were not supplied at cost price; such a price would have been not only artificial but a source of danger: artificial in that a Government department enjoys facilities for purchase and transport that the trade can secure only at extra expense; dangerous, in that it would have been too low, would have, by a too sudden fall, caused a fresh perturbation, and would have encouraged the accumulation of stocks and speculation. The exact cost to the Food Department was accordingly calculated on commercial principles, based on the current prices of the goods themselves and of freight and exchange, with due regard to any other expenses that a commercial business working in normal conditions would have had to bear. From the cost

thus calculated of the goods, as delivered in the stores of the Food Department, it was easy with suitable additions to arrive at the price at which they should be sold by wholesalers to retailers and by the latter to consumers.

A tariff was prepared on this purely economic basis and communicated to the public, which was thus in a position to ascertain, for the first time for many years, the true prices of commodities, and to follow their movements in the successive revisions of the tariff.

As an example, we give below the prices fixed for the chief commodities when direct allocations were first instituted.

	<i>Price in the Food Department's stores frs. per kilo</i>	<i>Price charged to retailers (including octroi duty) frs. per kilo</i>	<i>Price charged to consumers frs. per kilo</i>
Refrigerated meat (beef, mutton)	2.55	3.00	3.50
Ham	4.10	4.75	5.60
Bacon	3.70	4.20	5.00
Lard	3.60	4.05	4.90
	<i>per quintal</i>		
Rice	85	0.95	1.10
Haricots	102	1.12	1.30
Condensed milk (14 oz. tin)	....	....	1.50

This lucid policy soon bore fruit: applications for supplies poured in; in most of the great towns municipal shops were organized; coöperative societies adopted the system, and a large number of traders offered to participate. But M. Vilgrain was not yet satisfied with the blow he had struck: he was afraid that these various middlemen would little by little escape his control, evade the official sale price, or withdraw certain commodities from sale. Early in February he decided to set up, in coöperation with the municipal authorities of Paris, a system of direct sale to the public in shops or huts under his immediate control.

Under the arrangement between the Under Secretary of State and the Municipality, the State was to supply the goods and arrange for their transport, the city of Paris was to organize the premises and the sale to the public. As the 80 municipal butchers' shops and 300 controlled grocers' shops were thought inadequate,

the Municipality, at M. Vilgrain's request, undertook to set up huts in various parts of Paris, generally two per quarter. These huts were furnished and erected by the War Department, and arranged in a very simple and practical manner. A long table divided the hut into two parts; on one side were the public, on the other the attendants, with shelves behind them on which the various articles were disposed in pound or kilo packets to expedite their sale. A list of the articles offered for sale with the price per kilo was posted at the door; not more than two kilos of any commodity might be supplied to the same person. At one end of the hut was the cash desk, and the reserve store beside it.

Between the 6th March, when the first huts were opened, and the end of April, 225 huts in all were established in the various parts of Paris and in the suburbs.

As experience was acquired, the conditions of sale and above all the variety of articles offered were improved: whereas at first only the constituents of the type ration could be purchased in the huts, by the month of April the list comprised such things as olive oil, farinaceous pastes, lentils, sausage, jam, figs, sardines, butter, margarine, wine, bottled peas, haricots, tomatoes, tinned salmon, tea, and soap. Finally cooked dishes were placed on sale.

M. Vilgrain's enterprise was greeted with enthusiasm by the population of Paris. In the early days, persons desirous of buying or attracted by mere curiosity thronged to the huts in such numbers that the traffic had to be regulated; presently, and indeed very soon, the huts acquired a clientele which remained faithful to them so long as they continued open.

The receipts testify to their success: from the 6th to the 31st March 1,815,586 francs were encashed, or an average of 4677 francs per hut per day, gradually rising to 15,135,529 francs in October. It is true that during the latter months the average daily receipt per hut fell to about 3500 francs. But this fall was due, during the summer, in part to the fact that the huts sold no fresh vegetables, but more especially to the gradual assimilation of the trade prices to those asked in the huts.

As for the effects of the experiment on the cost of living, no doubt some illusions were fostered at the outset, and journalists drew conclusions of too hasty and general a character from the explanation

of his scheme that M. Vilgrain gave them. For instance, most of the newspapers declared that the opening of the huts would bring about an immediate fall of 40 per cent in prices, whereas M. Vilgrain had been careful to promise this fall only in respect of the price of the type ration. And, in fact, this ration, the trade price of which in January was 3 frs. 25, could be procured in the huts for 1 fr. 94. None the less the huts had a marked effect on the price of food-stuffs in general; most tradesmen were soon disquieted by this novel form of competition and the gradual diversion of their clients, and made up their minds to lower their prices; some even undersold the huts.

We may appreciate the importance of the service they rendered to the population of Paris, if we view their operations during 1919 as a whole. Their receipts amounted in all, in round figures, to 100 million francs; assuming that their prices represented an average reduction of 30 per cent on those exacted by the trade at the beginning of 1919, we find that the Vilgrain huts thus saved the public 30 million francs. And if account is taken of all the goods that the trade sold at the Food Department's prices, the above figure must be doubled.

Moreover, one of the primary objects of the policy was unquestionably achieved by this extensive practice of direct sales, in that it reestablished a steady and normal price current for essential food-stuffs, and checked all attempts to gamble in them or corner them.

It is no doubt true that the fall in prices was not so widespread as some had hoped, and that the price of articles of luxury remained very high and the general cost of living not materially lower in 1919 than in 1918. But this was because the high cost of living was in part due to causes that M. Vilgrain's experiment could not reach, particularly to the inadequacy of production and to the depreciation of the franc. The huts, moreover, had been able to supply only a limited variety of articles, preserved foods in particular, of which the French consumer soon grows tired.

*Program and facilities of transport.* One of the fundamental conditions of the success of M. Vilgrain's policy was evidently that the foodstuffs allocated for distribution should reach the centers where they were needed with speed and regularity. But at the end of 1918 and early in 1919 the problem of transport was still acute:



the railway lines were only gradually recovering their personnel and normal resources, and were unable to deal satisfactorily at the same time with the requirements of demobilization and of commerce. Special measures had indeed been taken, in the course of the war, to regulate traffic by the classification of goods in three categories, the principal foodstuffs being included in the first and priority of transport assigned to them. But these provisions proved inadequate in practice.

At the end of 1918 M. Vilgrain, with the concurrence of the Minister of Public Works, instituted a system, as regards the Food Department's supplies, that afforded a partial solution of the problem. A Transport Service was created in the department, by *arrêté* of the 17th October 1918, whose duty it was:

- (1) to concentrate all applications for transport from the various sections of the department;
- (2) to organize such transport in coöperation with the Ministry of Public Works; and
- (3) to supervise the execution of the program.

The Service had representatives in each district to deal with the transport of food supplies, to settle the priority of consignments according to the policy of the Central Service, and to keep in close touch with the railway authorities.

Subsequent circulars in October and December 1918 determined the actual organization of the transport of food. A program of carriage by rail for each department of the country was to be settled weekly by the local representative of the Service jointly with the head office and the local Food Officer, and transmitted to the railway officials. The execution of these programs was, by order of the Minister of Public Works, given priority over military transport, whether for the French, British, or American Governments, that is to say, practically absolute priority. The consignments of the Food Department were identified by a special label and number.

This system was at first applied only to foodstuffs belonging to the Food Department and dispatched by its agents. By circulars of the 28th April and 6th September 1919 the benefit of it was extended first to the local Food Offices and then to Coöperative Societies.

These simple yet adaptable arrangements remained in force until

April 1921; they were strictly observed by the officials of the Food Department and of the Railways, and secured throughout the period of railway reconstruction and repair the rapidity and regularity of transport that M. Vilgrain had desired. They further permitted consignments of foodstuffs to be sent by complete trainloads, at specially favorable rates.

*Action as regards restaurants.* The measures described above were designed to reduce the cost of living in the home. M. Vilgrain could not be indifferent to the category of consumers, particularly numerous in Paris, who found it necessary, on account of their work or for other reasons, to take most of their meals at a restaurant.

We have already explained<sup>1</sup> the abuses that occurred in such establishments, and the measures taken in 1918, with very little success, to repress them. Early in 1919 M. Vilgrain decided to apply the fundamental principles of his policy to the reduction of the price of meals in restaurants; but here again he wisely confined his interference to the more modest establishments.

(1) *The Food Department's dish.* The first measure taken was an attempt at persuasion. By an appeal to the Syndicate of *Bouillons-restaurants*, M. Vilgrain secured from its members that at each meal there should be served one dish made of articles supplied by the Food Department and provided at cost price *plus* normal profit only. This experiment failed, perhaps because it assumed the co-operation of restaurant and client. The 'Food Department's dish' met at first with success as an object of curiosity, but was soon neglected.

M. Vilgrain then decided to act more energetically: in July he instructed M. Henry Roy, who had just been named a Food Commissioner, to organize popular restaurants in Paris on the principle of the Vilgrain huts. These were soon established, and the numerous public that frequented them named them 'Henry Roy Restaurants.'

(2) *The Henry Roy Restaurants.* These were installed in large huts, and comprised a room, heated if required, capable of seating 360, a storeroom, kitchen, and scullery, with a meat-store in the basement. They were open daily from 11 A.M. to 3 P.M. and from 6 to 8 P.M., and could each supply about a thousand meals a day. Like the Vilgrain huts, they had to operate on the same terms as

<sup>1</sup> See above, page 278.

any other restaurant; they had to pay license dues, and sinking fund had to be provided out of their profits. They obtained their supplies either from the Food Department or from the trade. The first of these restaurants was opened in October 1919 and six more followed in the course of the winter. The price of a meal was fixed uniformly at 2 francs, comprising a *hors-d'œuvre*, one meat dish, one vegetable, and dessert, with  $3\frac{1}{2}$  oz. of bread. To this the consumer might add wine at 35 centimes the half-bottle or beer at 35 centimes the quarter-liter, a second meat dish at 90 centimes, or a second vegetable at 45 centimes, and coffee at 15 centimes the cup. The portions were supplied against tickets purchased on entrance, numbered 1 to 5 and corresponding to the several dishes on the bill of fare. It may be added that a special counter sold, at the same tariff, dishes to be taken away. Each meal yielded a profit of 20 centimes.

The opening of these establishments had on restaurants of the more modest description precisely the same effect that the Vilgrain huts had on retail shops. Meals at fixed prices gradually reappeared in the restaurants and tariffs became reasonable. The revival of competition and of prices on a commercial basis brought about, within the limits then possible, a general reduction in charges such as the public had despaired of seeing.

#### 4. *Enlightenment of the Consumer.*

We have already stated<sup>2</sup> that one of the general principles of the new policy was to reestablish the notion of a 'price current' and with this object to provide the consumer with facilities for knowing, criticizing, and following the movements of prices. Even before 1919 measures had been taken to this end.

A decree of the 30th June 1918 provided that, in communes containing 3000 inhabitants or more, the prices of all the more important foodstuffs, a list of which was given, were to be prominently marked upon them when offered for retail sale; and prefects might extend the application of this provision to other commodities, including those sold by hawkers, in fairs and markets, and in communes of less than 3000 inhabitants. In the following year this regulation was extended to all retail dealers and hawkers, to all

<sup>2</sup> See above, page 292.



foodstuffs and beverages, and to all communes of not less than 500 inhabitants.

These measures were taken not only for the purpose of keeping the consumer informed, but also to prevent excessive charges; for sales at prices above those marked on the goods were prohibited, and penalties attached.

This obligatory posting of prices, however, did not enable the consumer to judge whether the prices themselves were proper, for they were practically the same in all shops. But the bold measures of publicity adopted by M. Vilgrain as soon as he was able to develop direct allocations and open his huts, gave an opportunity for edifying comparisons, and made it at last possible for the public to ascertain the fair average price of the commodities it needed.

In July 1919, M. Noulens, who had just succeeded to the Ministry of Agriculture and Food, thought it advisable, in order to definitely restore the notion of the 'price current,' to set up in each department of the country a commission which should determine and publish periodically the *normal* price of the principal foodstuffs in ordinary use. The commission, by the terms of the decree of the 31st July 1919, was to be composed of the Director of Agricultural Services of the department, two wholesale and two retail dealers named by the Chamber of Commerce, two agriculturists, two workmen named by the trades unions, a municipal councilor of the chief town of the department, a rural mayor, and two representatives of coöperative societies. This commission was to calculate and revise weekly the normal retail prices of the chief foodstuffs and beverages, on the basis of the various items composing the cost of production, *plus* a profit of not more than 15 per cent. The resulting lists of prices were to be published by the prefect, communicated to the mayors of communes, and by them to dealers and others concerned, to whom they would serve as an advertisement, if posted in their shops, that they sold the commodities in question at these normal prices.

The idea underlying this decree was in itself sound. But the decree was in general imperfectly understood, and even worse applied. The commissions did not confine themselves to the duty of ascertaining and publishing prices; they sought, on the contrary, to influence prices and indeed proceeded as though they had been appointed to



*fix* prices. Experience soon proved them to be completely useless; the prices they published as normal were often far removed from actual rates. The institution accordingly soon became obsolete; the commissions ceased to operate in most departments early in 1920, and were definitely suppressed by decree of the 10th March 1921.

Two other experiments were tried in 1920, one with more satisfactory results. A decree of the 19th February 1920 set up in the Ministry of Labor a central committee on the cost of living, whose duty it was to follow prices, ascertain the cause of changes, and to propose any measures that the economic situation appeared to call for. It might be assisted by regional commissions, and its conclusions were to be published quarterly. This committee is still working, and its reports are of real value to those who desire to study the subject, provided that a relative and not an absolute value is attributed to the data that the reports contain.

We must finally mention the decree of the 15th October 1920, which created Consumers' Councils in each department, and a Superior Council in Paris, although the decree was never put into force. These Councils, composed of members of Parliament, municipal councilors, and representatives of Chambers of Commerce, coöperative societies, and consumers, were to investigate the causes of the rise in the price of foodstuffs, propose measures calculated to check it, and draw the attention of the proper authorities to abuses and offenses against the law—a vast but somewhat indefinite mandate. Since the war, such commissions and councils, affording opportunities for prolonged but sterile discussions, have gone out of favor. The Superior Council held a solemn inaugural sitting, and has never met since. As for the departmental Councils, no trace can be discovered of their having ever come into existence.

## CHAPTER XVIII

### CONCLUSION

#### 1. *The Food Department's Balance Sheet.*

For a sound appreciation of the work accomplished by the Food Department, we must keep in view the precise object of the task it undertook, the special conditions in which it operated, the difficulties it had to face, and the means of which it disposed.

Let us recall to begin with that at no moment of the war did the Government propose to keep the country completely supplied with all kinds of foodstuffs; its action was invariably confined to the essential articles of diet and to the principal substitutes, the lack or irregular distribution of which might have led to serious consequences. Even within these limits the task was no light one, as the following figures will show. We give below the quantities of cereals purchased from 1915 to 1919 by the Food Department.

	<i>1915-1916 and first half of 1917 quintals<sup>1</sup></i>	<i>2nd half of 1917 quintals</i>	<i>1st half of 1918 quintals</i>	<i>2nd half of 1918 quintals</i>	<i>1st half of 1919 quintals</i>	<i>2nd half of 1919 quintals</i>
Home-grown						
Wheat			5,402,527	10,107,154	18,671,853	19,962,526
Meslin			99,953	70,828	92,604	57,627
Rye			210,101	391,890	723,133	362,742
Barley			781,936	563,402	656,151	230,584
Maize			74,151	10,688	11,292	24,424
Buckwheat			165,454	90,920	96,357	34,797
Home-grown flour			1,436,945	1,472,596	3,534,358	3,171,759
Foreign						
Wheat	34,896,000	7,003,967	5,168,557	9,559,712	5,802,419	7,943,740
Rye		76,177	147,128	65,850	67,670	.....
Barley		302,583	1,516,202	1,702,910	2,372,025	935,790
Maize		.....	.....	312,397	433,080	201,181
Foreign flour	4,068,441	3,490,002	3,874,933	3,874,933	2,137,385	1,802,840

<sup>1</sup> A quintal is roughly one-tenth of a ton.

From the time of the institution of the monopoly of sugar, the Food Department had to take delivery of the whole of the home production, to purchase abroad the quantities required to supplement it, and to distribute both the home-grown and foreign supplies. The quantities involved were as follows:

<i>Year</i>	<i>Home production tons</i>	<i>Imported sugar tons</i>
1915-1916	135,899	485,000
1916-1917	188,433	496,000
1917-1918	200,265	261,215
1918-1919	110,096	372,731
1919-1920	154,000	375,000

As regards the various articles that under the new policy had to be assigned to municipalities, coöperative societies, tradesmen, and consumers, some idea of the magnitude of the effort involved in their collection and distribution may be gathered from the following table, which gives the stocks held by the Food Department on the 15th January 1920:

Refrigerated meat	20,389 tons
Sugar	79,400 tons
Dried vegetables	431,423 quintals
Oats, rolled and hulled	6,508 quintals
Salt provisions	45,919 quintals
Sausages	2,480 quintals
Lard	23,573 quintals
Fat bacon	7,844 quintals
Edible fats	464 quintals
Preserved meat and fish	114,879 quintals
Preserved vegetables	3,595 quintals
Oil	1,547 quintals
Condensed milk	17,818,273 boxes
Jam	29,299 quintals
Salt	860 quintals
Pepper	10,263 quintals
Coffee	176,000 quintals
Tea	6,407 quintals
Farinaceous pastes	723 quintals
Cocoa	644 quintals
Figs	299 quintals
Vinegar	30 quintals
Tapioca, pearl barley, etc.	3,089 quintals

Finally, the general program of imports approved by the inter-allied agreement of the 3rd November 1917 as representing the irreducible minimum of French requirements, a program that was consistently carried out, involved the purchase, transport, and distribution every month of the following quantities:

	<i>Total monthly quantity tons</i>	<i>North America tons</i>	<i>South America tons</i>	<i>India and Ceylon tons</i>	<i>Africa, West and North tons</i>	<i>West Indies tons</i>	<i>Far East tons</i>
Wheat	275,000	170,000	50,000	55,000	....	....	....
Maize, barley, rye	96,500	86,500	10,000	....	....	....	....
Rice	10,000	....	....	....	....	....	10,000
Dried vegetables	12,500	6,500	....	6,000	....	....	....
Meat	24,956	14,972	9,984	....	....	....	....
Sugar	24,200	....	....	....	....	24,200	....
Lard	2,150	2,150	....	....	....	....	....
Oil and fats	91,210	....	....	43,750	47,460	....	....
Wine	42,500	....	....	....	42,500	....	....
Total	579,016	280,122	69,984	104,750	89,960	24,200	10,000
Oats for the armies	60,000	35,000	....	25,000	....	....	....

It would have been difficult to carry out under normal conditions a task such as these figures indicate; it had to be done at a time when all the ordinary economic and commercial mechanism of the country was out of gear, if not completely at a standstill. It must be remembered likewise that the staff at first available, however willing and zealous, were utterly unfamiliar with commercial usage. It is not one of the least merits of M. Vilgrain that he realized the impossibility of discharging his responsibilities without the coöperation of technical experts.

The results achieved were all that could be expected from the Food Department; for at no moment of the war was there a failure in the supply of essential foodstuffs. Every consumer was secure throughout of obtaining what was necessary for his subsistence.

In its efforts to resist the rise of prices the department, it must be admitted, was less successful. This was because, as we have shown, the rise was due to the course of events themselves, to profound economic causes having their origin in those events and not susceptible of immediate and effective remedy. It was also due to the com-



plete lack of preparation in 1914 to meet an entirely novel set of conditions. And finally it is to be attributed to the fact that some of the measures applied in the early years of the war, such as fixed prices and, after the armistice, the increased banknote issue, aggravated the economic perturbation.

But in order to judge the work of the Food Department as a whole, we must also consider it from the financial point of view.

## *2. Financial Results.*

The financial results of the Food Department's operations down to 1920 were recorded, as stated in our Introduction, in the Special Account opened as regards grain and flour (1st Section) under the law of the 16th October 1915, and as regards other foodstuffs (2nd Section) under that of the 20th April 1916. These results have been the object of some criticism and there has been some unwarranted talk of irregularities and waste.

The half-yearly balance sheets, though all the transactions are not yet finally closed, allow a fairly exact idea to be formed of the situation of the Account. It shows a large deficit.

## FOOD SUPPLY

	<i>Excess of expenditure over receipts frs.</i>	<i>Excess of receipts over expenditure</i>
<i>1st Section. Grain and Flour.</i>		
1915, 1916, and 1st half of 1917	858,859,475	
2nd half of 1917	192,899,579	
Reimbursed to bakers in 1917	112,211,734	
1st half 1918	432,794,565	
2nd half 1918	741,997,340	
1st half 1919	1,199,660,066	
2nd half 1919	1,263,288,061	
1st half 1920	1,085,437,675	
	<hr/>	
Total loss	5,887,148,495	
<i>2nd Section.</i>		
<i>a. Sugar.</i>		
		<i>frs.</i>
1916 and 1st half 1917		42,471,767
2nd half 1917		3,041,357
1st half 1918		43,008,030
2nd half 1918		42,846,072
1st half 1919		40,091,480
2nd half 1919	37,458,706	
1st half 1920		63,000,000
		<hr/>
	Balance profit	197,000,000
<i>b. Coffee.</i>		
	Profit	55,000,000
<i>c. Cocoa.</i>		
	Profit	6,000,000
<i>d. Miscellaneous Articles.</i>		
Oils and fats	Profit	44,357,134
Oats, haricots, lentils, etc. Loss	50,862,625	
	<hr/>	
<i>Net balance of 2nd Section.</i>		Profit 251,494,509
<i>Recapitulation.</i>		
Losses	5,887,148,495	
Profits	251,494,509	
	<hr/>	
Net loss	5,635,653,986	

As a set-off, account should be taken of customs duties encashed by the Treasury in respect of grain, flour, and sugar imported by

the Food Department to the amount of 1,056,554,904 francs, reducing the deficit to 4,579,099,082 francs.

This is a large sum and it has had to be met by means of loans and taxation. It would, however, be over-hasty to infer that the Food Department so conducted its business as to aggravate the financial burdens of the war and to increase the budgetary difficulties of the country. We do not believe that the deficit was due to faulty organization or defective working of the Food Department, or that its contracts involved conditions unduly onerous to the State or were entered into without sufficient regard to the interests of the Treasury. The truth is that the deficit was exclusively due to the policy of keeping down the price of bread, a policy that obliged the Department during three years to cede grain to the millers far below cost price. But this policy was deliberate and was authorized by the legislature. No doubt the extent of the losses entailed thereby was not foreseen in 1915; but those who followed closely the operations of the Food Department and the successive increases of price that had to be allowed to farmers will have no occasion to be astonished at the figures given above.

As regards the 2nd Section of the Special Account, the law that authorized it did not allow a loss to be incurred, and the intentions of the legislature were carried into effect, the balance on the account as a whole showing a profit of over 250 million francs.

Might a more prudent policy in regard to bread have been adopted? Would it have been possible to allow the price of bread to rise, while checking the rise in the cost of grain? We doubt it. At any rate, if the experiment had been tried, the State would certainly have had to concede larger increases of salary to its hundreds of thousands of workmen, and would have incurred thereby an expenditure perhaps not less than that which resulted from keeping the price of bread at its pre-war figure.

It is not, in fact, strictly correct to speak of a loss on the Special Food Account. What in reality occurred was that the Government, with the full consent of the Chambers, made appeal to the country's sense of solidarity and granted a bread subsidy in order to maintain its moral strength unimpaired. A similar policy in Great Britain, be it noted, cost the taxpayer over £100,000,000.

### *3. The Lessons of Experience.*

Future students may be inclined to see in the work of the Food Department during the war a curious experiment in State Socialism and to draw thence arguments in favor of that system. It would be a mistake to do so.

No doubt we have seen State Departments undertaking the general food supply of the country, purchasing at home and abroad, distributing, controlling the means of transport, and regulating production, prices, and consumption. But it was never the intention of the Government to completely dispossess the trade. The successive measures taken, though in fact they constantly developed the State's sphere of action, were based on no theoretical views and cannot be regarded as the application of any special economic conception; they were dictated by the circumstances and problems of the moment.

A system of State supply was not deliberately conceived; it was gradually evolved under the pressure of circumstances, and constantly restricted to what was at the moment indispensable. And we may recall the fact that at the end of 1918 and throughout 1919 the policy of M. Vilgrain tended essentially to restore the play of economic forces.

On the other hand, so far from being able to draw arguments in favor of State Socialism from the results obtained by the Food Department, we find that whenever those results disappointed expectations it was because the measures taken involved too pronounced an intervention by the State and disregarded, in too great a degree, economic principles or commercial usage. It is to this cause that we must attribute the almost complete failure of fixed prices to reduce the high cost of living. If, on the other hand, the control of cereals and sugar worked satisfactorily, it was because the control was enforced with a large measure of regard for economic facts and the customs of the trade.

If then experience showed that State intervention in an extreme form did not as a rule achieve its object, and if the Government was not acting on any preconceived theoretical principle, why, it may be asked, did the Government proceed to set up this vast supply administration, with all the appearance, and indeed reality, of an instrument of State Socialism?



The reason is that the Government had completely failed to foresee before the war the measures that would have to be taken, in the event of a general and prolonged struggle, if the normal working of the system of supply was to be maintained. Faced with the sudden failure of this system which followed on mobilization, the only course open to it was to entrust the solution of the urgent problem to administrative departments; but these departments should have been organized and conducted on commercial lines and directed by proved experts, as M. Vilgrain subsequently strove to bring about.

The rôle of the Government, in fine, as regards food supply in time of war, would appear to be to work out the general program of supply, to settle the main lines of the distribution of such articles as are controlled, and to regulate the consumption of these articles. But it should, we think, interfere as little as possible in the actual execution of the program of purchase, transport, and sale, and confine itself to securing, by vigilant supervision, that the commercial organisms charged with its execution carry out their duty in accordance with its instructions.

We should then have order and method, and, above all, the free play of economic forces would be safeguarded to the utmost extent compatible with a state of war.



## APPENDIX





## APPENDIX

### SUMMARY OF ARRÊTÉ OF THE 24<sup>TH</sup> DECEMBER 1917 ON THE ORGANIZATION OF THE FOOD DEPARTMENT

IN addition to his Secretariate, charged with the usual secretarial duties, and the Controller of Expenditure, placed directly under his authority, the Under Secretary of State for Food had under him the following services:

1. Administrative, economic, and financial services;
2. Technical and manufacturing services;
3. Commercial services (cereals and imports);
4. Commercial services (provisions);
5. Commercial services (Colonies and regions occupied by the enemy).

Coördination was secured by means of a Council composed of the head of the Secretariate and of the heads of services; it discussed questions interesting the department as a whole and those submitted to it by the Under Secretary or by the heads of services.

The duties of the several services were distributed as follows:

#### 1. Administrative, economic, and financial services.

##### A. Administrative services.

- (1) Statistics, foreign legislation, general information, publication of official documents.
- (2) Economic investigations, consideration of measures to be taken at the close of the war and in the after-war period.
- (3) Questions relating to the blockade; prohibitions of export and import, and exceptions thereto.
- (4) Parliamentary business; draft legislation; Secretariate of consultative committees.
- (5) Economies. Restrictions of consumption, voluntary and obligatory, and supervision thereof.
- (6) Physiology in its bearing on diet.
- (7) Food supply of reconquered regions; relations with subsidized Chambers of Commerce; Prisoners of War.

- (8) Legal department, repression of speculation and profiteering in respect of provisions.

B. Financial services.

- (1) Draft budget.
- (2) Authorization of payments.
- (3) Cashier's office.
- (4) Budgetary accounts.
- (5) Special accounts.
- (6) Appropriation account.
- (7) Office expenses.
- (8) Marine insurance and other insurance.
- (9) Inspection and financial control abroad.

C. Propaganda.

Relations with the press and with various associations, public meetings, cinematograph, and in general all publicity designed to explain the measures adopted and to encourage restriction and economy of consumption.

2. Technical and manufacturing services.

A. Subdepartment of military supplies.

B. Technical inspection of supplies:

- (1) Manufacture;
- (2) Mechanical plant;
- (3) Labor organization;
- (4) Substitute foodstuffs.

C. General inspection (central service and traveling inspectorate).

D. Combustibles and petrol.

E. Land transport.

F. Civil and military personnel.

3. Commercial services (cereals and imports).

A. Foreign cereals.

B. Home-grown cereals.

C. Supervision of flour-mills, bakeries, and biscuit-factories; exceptional treatment.

D. Maritime transport.

E. Transit and coastwise transport.

4. Commercial services (provisions).
  - A. Civil food supply. Various organizations dealing with consumption; coöperative societies.
  - B. Military food supply; army coöperative societies, and mess supply depots.
  - C. Dried vegetables; rice; farinaceous pastes.
  - D. Meats and fats; milk, butter, and cheese.
  - E. Forage and potatoes.
  - F. Sugar; saccharine; coffee; chocolate.
  - G. Liquids; wine; cider and beer; oils.
5. Commercial services (Colonies and regions occupied by the enemy).
  - A. Algeria and Tunisia,
  - B. Morocco,
  - C. Colonies,
  - D. Regions occupied by the enemy.

Whatever the commodity or the service concerned, all questions of maritime transport were to be dealt with by the Maritime Transport Service, all those of land transport by the Land Transport Service, all those of transit and coastwise transport by the service of that name. Exceptionally ships carrying petrol were to be dealt with by the Combustibles and Petrol Service.

The head of the Technical and Manufacturing Services and the three heads of Commercial Services were to form a Commercial Services Committee meeting daily under the presidency of the first-named, and dealing with questions concerning those services, whether questions of a general character, questions of principle, or questions involving the responsibility of the Under Secretary of State. Heads of sections concerned were to be summoned in a consultative capacity.

A Statistical Bureau was formed to concentrate all the information supplied by the commercial and technical services and to furnish at the end of each day to the Secretariate of the Under Secretary statements showing:

- the situation of stocks;
- purchases effected;
- deliveries effected;
- the situation of the mercantile marine;

and in general all data calculated to keep the Under Secretary and Minister informed.

Copies of the above statements were to be supplied to the Minister, the Under Secretary, and the head of the administrative, economic, and financial services.

All letters submitted for the Under Secretary's signature were to be accompanied by minutes initialed by the head of the service concerned, and, as regards those emanating from the technical or commercial services, by the President of the Commercial Services Committee as well. All proposals involving expenditure were to be seen, before decision, by the Controller of expenditure; likewise authorizations of payment, before issue. All decisions capable of affecting budgetary credits or the special supplies account were to be communicated to the financial service.



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